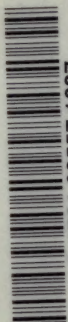


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RACY? A STUDY OF SOCIAL
EVOLUTION DURING THE
LAST THREE-QUARTERS OF A
CENTURY. BY SIDNEY WEBB.



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H. A. Lake

*Sept 7th 1916.
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PREFACE.

THE sketch here reproduced, of the course of development of social organisation during the past three-quarters of a century, was written seven years ago.* It is impossible to read it to-day without asking in what way the persistent "stream of tendencies" that we detect between 1840 and 1914 is likely to be affected by the Great World War.

One thing seems plain. In so far as the changes of the last three-quarters of a century represent a development from an economic and political Individualism to an increasingly Collectivist organization of society, the movement will certainly go on from one end of the world to the other, probably with continuous acceleration. To speak only of this country, the war has brought us appreciably nearer to the Nationalisation of the Railways, Canals, and Coal supply, if not also of merchant shipping. Agriculture will not escape some local and experimental national intervention, for discharged soldiers and otherwise. The Government will inevitably be driven to reclaim for collective administration a quite unexpectedly large proportion of the tribute incomes of rent and interest that the landlords and capitalists fondly thought to be their own. The public control of mobile capital (which will certainly not again be quite free to flow whither it pleases), and of such requisites of increased national production as indispensable minerals, the plant and organisation of "key industries" and "essential trades," is evidently destined to be greatly increased. Finally, although the Government will long feel poor, the conviction that the nation must augment its virility will lead to a steady development of the Collective Provision for maternity, infancy, and the physical as well as the mental training of youth, if only to ensure that as small a proportion of the population as possible shall be found to be non-effective

* It was prepared in 1909 for *The Cambridge Modern History*, and it appeared in the twelfth volume of that work. The author is indebted to the Syndics of the University Press, Cambridge, for permission to republish it in separate form. An appendix supplies a few notes as to books in which further information can be obtained, and describes the progress made on particular points since 1909.

in the hour of national strain. From this point of view, both the prevention of accidents and disease, and the adequate treatment of sickness, plainly impossible to the individual, will acquire a new importance. In short, merely as a means of national security, the coming generation is going to see a rapid increase in Collective Ownership and Administration, in Collective Regulation, in Collective Taxation, and in Collective Provision. But this was defined, a quarter of a century ago, as the "Fourfold Path" of Socialism itself!

We have, however, to ask by whom the rapidly growing collectivist organisation will be controlled, to what ends its work will be directed, and for whose benefit it will be made to operate. Shall we, in this or any other country, be able to secure such progressive improvements in the machinery of popular control, and in the capacity of the citizens for collective action, as to ensure (i) that the giving of ultimate decisions on fundamental issues of national policy shall be effectively in the hands of the whole people; (ii) that the whole people shall have an intelligent "consciousness of consent" to current administration; and (iii) that the action of the Government shall be consistently directed towards an equal wellbeing of the whole people, and not merely towards the power and the riches of selected classes? What, in fact, is likely to happen, under the strain of war pressure, to the evolution that has been going on in Democracy itself?

We cannot overlook the adverse effects of the "militarism" to which war, and the fear of war, is driving all nations. To take our own country only, it was doubtless inevitable that, in the stress of unparalleled national danger, our most cherished constitutional safeguards should have been abandoned, that minorities should have been suppressed, and that individuals should have been unjustly trampled on. In war, it is imperative the energies of all the people should be, as far as is practicable, concentrated upon a single end and directed by one will. This, because it is incompatible with individual development, social equality, or a sense of personal freedom, is one of the evils of war. But just because war is by its very nature a transient and not a perpetual condition, such temporary military servitude can be willingly accepted by Democrats. There is, indeed, no danger that the Defence of the Realm Acts, the Munitions of War Acts, and the Military Service Act—any more than the thousand and one unauthorised acts of the Executive Government since August, 1914—will continue beyond the war itself. Unfortunately some of their influences will remain. It would be foolish to ignore the rise in some sections of "the governing class", notably among the engineering employers and other "captains of industry", and among some politicians of the Junker type, of a determination "to have done with" such growing demo-

cratic encroachments on their personal power over their fellow-citizens, and on their riches, as have been manifesting themselves in Trade Unionism, Minimum Wage Acts, and the progressive graduation of the Income Tax and Death Duties.

To counteract the "militarist" influences that will certainly be at work, and to secure that the rapidly developing Collectivist State shall be, at the same time, a really Democratic State, we need an equally rapid development in Democracy itself. We see now that Habeas Corpus and Vote by Ballot—even the election of a Labour Party to the House of Commons—do not, in themselves, ensure democratic control. It is not merely that Democracy, to be effective, involves a more highly educated and a more politically minded population than we yet possess. It is not merely that we need to create a larger supply of men trained to what is, in reality, the highly specialised functions of elected representatives on the one hand, and of administrative officials on the other; and to learn to keep these two classes to their several duties. What has to be developed in the United Kingdom is much more, on the one hand, of popular Democracy in Local Government, to which the mass of all classes still refuse to give sufficient attention; and on the other, of that "Industrial Democracy" of the factory, the farm, the railway and the mine, to which, whether in Trade Unions, Workshop Committees, or Joint Boards, more and more participation in management will have to be conceded.

What is vital to any real Democracy in a densely-peopled, economically-complicated modern State, is that the Government should not be one. The very concentration of authority which is essential in war is, in peace, fatally destructive not of freedom alone, but also of that maximum individual development which is the very end and purpose for which society exists. We need to resist the concentration and centralisation to which "militarism" is prone. We ought to multiply and diversify our educational institutions, and put them, from Workers' Education Association tutorial classes up to Summer Schools and Universities, under as many (and as many kinds of) independent governing bodies as we can invent. We need to maintain and to develop the autonomy, and as far as possible to increase the scope, of our County and Municipal and other Local Government authorities, using the "Grant in Aid" as preferable to the direct administration of a centralised bureaucracy. The Co-operative Movement affords a valuable opportunity for bringing more and more of the manufacture and distribution of household supplies under a democratic control which is independent of the political government, whether central or local. And, seeing that our daily work touches our lives even more continuously and more closely than most of those that we have hitherto known as

political issues, it is imperative that we should bring to bear on the conditions of work in the farm and the factory, the railway and the mine—probably by some development of the vocational organisation of which the existing Trade Unionism of crafts and professions supplies the nucleus—both that “criticism from below” and that democratic control to which, in the coming century, industry as well as political government will have increasingly to adjust itself. Nothing, in fact, is more urgently needed to-day in the public administration of this country than the development of an independent, outspoken, and expert criticism, as regards departmental *technique* and machinery, of the bureaucracy *from within*—a function to be performed only by Vocational Organisation, of which not the Trade Unions alone, but also the General Medical Council, the various Engineering Standards Committees, and the present incipient Teachers’ Registration Council offer models and types.

The issue between the classes and the masses may be upon us sooner than we imagine. The first menace to Democracy in the United Kingdom may not come in the form of an attempt to utilise the war for political reaction. We may find ourselves, on the very Outbreak of Peace, plunged into industrial strife. The cessation of the present Government expenditure of four or five million pounds a day, the scramble for productive employment of six or seven millions of discharged soldiers and munition workers, the determination of the employers in certain great industries to revert to the autocratic management of “their own” concerns, the probable slump in wages and widespread unemployment, the continuance of prices at a high level, and a general raising of working-class rents owing to our neglect to make good the long-continued shortage of cottages—all these features of the first few months after peace will, unless provided against by far-reaching measures of industrial reconstruction, of which there is at present no sign, lead to a whole series of industrial conflicts in which Labour will fight under grave disadvantages. At the same time the cost of the war will have to be met, and rather than face an Income Tax of ten shillings in the pound, and a Supertax rising to half as much again, a determined attempt may be made by Customs Duties on the necessities of life, and even by a poll-tax on wages, to throw the bulk of the cost on the shoulders of the millions of consumers. To this the Co-operative and Trade Union Movements—it is to be hoped also the political Labour movement—will offer a strenuous resistance. In the midst of such social and industrial conflicts there may seem but little chance of an evolution of Political Democracy that will keep pace with the rapidly growing Collectivism. Yet such an evolution is imperatively required.

If it is asked what, amid all these distracting pressures, is likely, during the coming century, to happen to the Freedom of the Individual, the answer must be that it depends essentially on this very Evolution of Democracy. Collectivism we are certain to have. In the complex social and industrial organisation of a densely-peopled great state, mere reliance on the Parliamentary Vote and the Payment of Members no more guarantees Freedom than Patent Medicines ensure Health. Down to 1914, Democracy had been evolving into Social Democracy at a rate fast enough actually to increase Individual Freedom. If by Personal Liberty we mean the practical opportunity that we have of exercising our faculties and fulfilling our desires—and nothing else is worth the name of Freedom—the seventy-five years between 1840 and 1914 witnessed an aggregate increase in popular liberty probably unparalleled in any previous century. In the United Kingdom, even the humblest person became, in that period, a little more “free”, whilst the great majority of the population obtained vastly greater opportunities of exercising their faculties and fulfilling their desires than their grandfathers enjoyed. And this increase of personal freedom has been, it is now clear, the direct result of the establishment of the Common Rules and the enforcement of the National Minimum which have especially characterised the past three-quarters of a century—the great development of Local Government and of the Co-operative Movement, the upgrowth of Factory Legislation and of Trade Unionism, the legal protection of the individual even within the family, the provision, still far from adequate, made for every kind of non-effective from the infant to the senile. It is to a continued extension of this beneficent Collectivism under Democratic control that we have still to look for a further increase of Freedom. The attack with which Democracy is unfortunately now threatened is inspired—the fact is in some quarters not concealed—by a wish to put a stop to, and as far as possible to reverse, the growth of liberty that has in this way been secured for the lives of the common people, in order that the riches and the domination of the landlords and capitalists may not be further impaired. We shall be the better prepared to deal with this attack if we realise how, as described in the following essay, the organisation of society has been, in fact, changing during the past two or three generations.

SIDNEY WEBB.

41 GROSVENOR ROAD,
WESTMINSTER.

April, 1916.

TOWARDS SOCIAL DEMOCRACY?

A STUDY OF SOCIAL EVOLUTION DURING THE LAST THREE-QUARTERS OF A CENTURY.

THE condition of the people in 1842, as seen in the streets of Bolton in Lancashire, was described by Colonel Perronet Thompson (1783-1869) in language that palpitates with anger. "Anything like the squalid misery, the slow, mouldering, putrefying death by which the weak and feeble of the working classes are perishing here, it never befel my eyes to behold nor my imagination to conceive. And the creatures seem to have no idea of resisting or even repining. They sit down with oriental submission, as if it was God and not the landlord that was laying his hand upon them." At the same time the new Boards of Guardians throughout the whole country were employing between forty and fifty thousand adult able-bodied men in oakum-picking, stone-breaking, and bone-crushing, in the "labour yards" attached to the hated "Bastilles of the poor," on pittances of poor relief just sufficient to keep them and their families alive. Of such workers as were fortunate enough to be still in wage-earning employment, men, women, and children, "pent up in a close dusty atmosphere from half-past five or six o'clock in the morning till seven or eight o'clock at night, from week to week, without change, without intermission, it is not to be wondered at," states a contemporary government Report, "that they fly to the spirit and beer-shops and the dancing-house on the Saturday nights to seek those, to them, pleasures and comforts which their own destitute and comfortless homes deny." In the Bolton of the twentieth century, though there is still individual squalor and personal misery to be found, the population—six times as numerous as in 1842—may, taken as a whole, safely be described as prosperous, healthy, intellectually alert, taking plenty of holidays, and almost aggressive in its independent self-reliance. So great a change, to be paralleled in many an industrial city of western Europe, demands an explanation.

To some observers of the first half of the nineteenth century—to John Dalton (1766-1844) or Sir Humphry Davy (1778-1829), for instance, or to Michael Faraday (1791-1867) or Sir Charles Lyell

(1797-1875)—it may have seemed, as is still sometimes asserted, that it was to physical or biological science, “far more than to the work of statesmen or to the creation of constitutions, or to the elaboration of social systems or to the study of sociology” that we had to look as “the great ameliorator of the human lot in life.” Unfortunately for this view, we must recognise that physical science had already achieved great marvels, and that some of the principal mechanical inventions which transformed English industry and enormously increased the wealth of its wealthy classes were already more than half a century old, when Bolton, and industrial England generally, lay, in 1842, in the lowest trough of its misery. If to ameliorate the human lot in life had been any part of the purpose of the great mechanical inventions, or of the far-reaching discoveries of physical science of the preceding half-century, they must be accounted to have egregiously failed. Since then, we have had to admit, as John Stuart Mill indicated already in 1848, that all the discoveries of physical science and all the mechanical inventions in the world, have not lightened, and by themselves never will lighten, the toil of the wage-earning class. A scientific discovery or a mechanical invention, though it may revolutionise the processes of industry and vastly augment our total productive power, does not in itself affect the terms of the bargain which the employer of labour is able to make with the wage-earner; does not make the profitableness of the “marginal man” to the employer any greater than before; and, accordingly, does not by itself make the working day shorter or the wages greater.

What mechanical, physical, chemical, and biological science has done to enlarge the range of our knowledge and augment our power over the forces of nature will be described in a subsequent chapter. But it is demonstrated by a whole century of experience that, while every advance in our knowledge of the universe increases the potential capacity of those who control affairs, this mere increase of knowledge, as a matter of fact, does nothing in itself to prevent or to diminish the poverty and social wretchedness of those in the rear. These are, indeed, in the procession of civilisation, left all the further behind. The social result of any increased power over nature enjoyed by the community as a whole depends on the use to which the community as a whole chooses to put it. But the ordered sequences of physical and biological phenomena which usually claim the name of science do not exhaust its scope. Of man in society, with all his various groupings and arrangements, as forming part of the universe, we may also increase our knowledge, and thereby increase our power to control phenomena outside the realm of physical or biological science, which are potent in the amelioration of the human lot in life. In short, there may be progress in political science, as well as in the sciences dealing with the non-human part of the universe. What has transformed the Bolton cotton-spinners of 1842 into the Bolton cotton-spinners of the twentieth century—what falls

therefore to be described in this chapter—is no mechanical, physical, chemical, or biological discovery, but a certain subtle revolution in the ideas of men; a certain advance in our acquaintance with those social laws which, to use Montesquieu's pregnant phrase, "are the necessary relations derived from the nature of things"; and, therewith, a certain increase of power to influence social phenomena. This power to influence social phenomena has taken shape in specific social movements associated with such appellations as municipal action and cooperation, factory legislation and trade unionism, sanitation and education, the Poor Law and the collective provision for the orphans, the sick, and the aged, and all that vaguely defined social force commonly designated socialism. These social movements, while the chemists and physicists have been at work in their laboratories, have resulted in the development of new social tissue; have been, in short, gradually transforming human society itself.

The revolution of the last three-quarters of the nineteenth century in men's ideas about social arrangements, and the consequent changes in social tissue which those ideas have been causing, may be described in many different ways. We may first notice, partly as cause and partly as effect, a certain shifting of the very basis of the local organisation of the community. In the manor, in all the varieties of the manorial borough, in the gild, and in the unreformed municipal corporation, men had for centuries unconsciously grouped themselves on the basis of their occupations as producers. Whatever else these social groupings may have been, on the economic side the manor was, at the outset, a group of agricultural tenants, the gild a group of craftsmen or traders, even the borough corporation a group of burghage occupiers whose economic interests were similar. These groups of tenants, craftsmen, or burghers—at no time coextensive with the whole of the local residents—had, by their very nature, a tendency to exclusiveness, and inevitably became small oligarchies in the midst of an unprivileged population, losing whatever sense they may once have had of fulfilling the communal needs, and expressing only their own members' separate and exclusive interests. Thus it was, throughout western Europe, the organisation of local administration on this old basis, which was essentially that of associations of producers, that long stood in the way of social reform. We see in England the slow beginnings of a different grouping in the gradual rise during the seventeenth and eighteenth centuries of the parish vestries and the various bodies of road or harbour or town Improvement Commissioners, the latter as yet unnoticed by historians, which began to provide for the needs, and to act in the name, not of this or that exclusive group, but of all the local residents. And, as all the local residents necessarily used or enjoyed the benefits of the roads, the harbours, the lighted pavements, the cleansed streets, the improved thoroughfares, and the organisations for the protection of life and

property, which these new local governing bodies, by the opening of the nineteenth century, were beginning to develop, we may properly regard them as associations of consumers.

This was the real import of the revolution effected in England and Wales by the Municipal Corporations Act of 1835. It substituted, in the structure of English local government, for the associations which, in their economic aspect, had originated as associations of producers, with their exclusive interests and tendencies, an organisation of the residents of each locality, for the purpose of satisfying their common needs. The Act was incomplete, and in many ways imperfect. It took three-quarters of a century for the principles then adopted to be carried into every part of English local government. The municipal history of the nineteenth century, all-important as it has been to the life of the nation, has found, as yet, no historian. Of the steps in the structural development we need only mention, so far as England is concerned, the gradual absorption, between 1840 and 1870, of nearly all the old bodies of Town Improvement Commissioners, and the concentration in the Town Council of practically all the functions of municipal government; the admission, between 1835 and the present day, of a hundred-and-fifty new and growing towns to full municipal privileges; the gradual democratisation, between 1867 and 1885, of the municipal councils by various changes in franchise and qualification (including the removal of all property qualification, and the acceptance, as electors, of the dwellers in single rooms and of independent women occupiers); the extension to growing urban communities, from 1848 onwards, under the Public Health Acts, of what were practically municipal powers of self-government under other names; the organisation, in 1888, of the local government of the whole metropolitan area and of the rural districts on what was virtually the same municipal basis; and the establishment, in 1894, of Parish Councils in the villages.

In 1870, as the result of changes made while the Education Bill of that year was under consideration by the House of Commons, there was a temporary reversion to the eighteenth century type of local organisation, separately elected School Boards being established independently of the general local governing body of the locality. In 1902 and 1903 these were all abolished, their duties being transferred to the general governing body of the Borough or County. Of the separately elected local governing bodies there remains, in 1910, only the Board of Guardians, which had been established under the Act of 1834 to administer the public provision for the relief of the poor; and, in 1909, a Royal Commission, appointed to overhaul the whole Poor Law administration, recommended the immediate abolition of this separate authority, and the transfer of its duties to the Borough and County Councils. With the exception of the management of some of the great rivers and ports, which does not logically come within the functions to be entrusted to the

ratepayers of a particular urban area, and for which accordingly there are often separately appointed trusts or commissions, the whole of England and Wales may be said to be now under democratic municipal government, on the lines advocated by Jeremy Bentham, adopted for the Boroughs by Lord Melbourne in 1835 and for London and the rural counties by the Ministry of Lord Salisbury in 1888. To the local Council of citizens, elected by ballot, annually or triennially, by the resident occupiers of house, office, or room, without qualification or restriction, is accorded a practically unlimited freedom, within the sphere allotted to it by law, to spend as it pleases, without any effective government control, the compulsory levies which, practically without legal limit, it is empowered, by mere majority vote, to make upon all the occupiers of land or houses within its area. It has taken more than a couple of generations for the local government of the rural districts, as well as that of the towns, to become (as Francis Place predicted in 1835) in this way "municipalised"; and (as may now be added) for this democratic organisation on the basis of the association of consumers for the supply of their own needs to be recognised as "Municipal Socialism."

Of the development of local government in western Europe and the United States—in its collective performance for the community of services formerly left to individual enterprise, essentially similar to that in the United Kingdom—space does not permit us to treat. The number and variety of services performed by the local governing bodies of France and Switzerland, Germany and Austria, Belgium and Denmark, Italy and Holland, like that of the local governments of New Zealand and the Argentine Republic, is often greater than in English or American municipalities. The municipal expenditure of New York and Paris exceeds even that of London.

However we may regard it, to this local collective activity, in its numerous and varied manifestations, is to be attributed a large share of the social transformation of all the cities of the civilised world, during the last three-quarters of the nineteenth century. We naturally see this transformation most clearly at what may be termed the nodal points of society, the urban centres where men are most thickly clustered together. The rapid development and multiplication of these nodal points is at once a cause and a result of the transformation. Throughout western Europe, the United States, Australasia, and South Africa (and, in fact, throughout the civilised world) the number and proportion of the dwellers in towns has increased, and is increasing, out of all proportion to the rural population; so that in many countries one-half, and in the most developed countries three-fourths, of all the inhabitants are now to be found in urban communities. In place of a world in which the towns were but exceptions in the common range of rural life, we have a world of towns, between which there are still to be found

interstices of country. These urban communities have left behind them, once for all, the ideal of a society of independent, self-sufficing households, each producing for its own needs. Instead, they take on the character, gradually, and at first without social self-consciousness, of cooperative communities, based upon the obligatory membership of municipal citizenship, in which one function after another is organised and fulfilled for the common benefit by the collective forces of the social group. Thus, we see throughout western Europe, and particularly in the England of the latter half of the nineteenth century, the municipal governments administering on a communal basis such services, once entirely a matter for individual self-provision by each household, as paving, lighting, and cleansing the streets; the prevention of assault, theft, and damage by flood or fire; the removal of faecal matter and garbage; the public supply and distribution on a large scale of the primary needs of existence, such as water, housing, milk, and now, in one place or another, even other food; the communal provision of artificial light, of certain forms of fuel, and of hydraulic or electric power; the provision of the means of transport and of intercommunication; the collective production, in public forests or on drainage farms, or in connexion with other municipal departments or institutions, of all sorts of agricultural products, and of this or that manufacture; the complete and minutely detailed care of the orphans, the sick, the blind, the deaf and dumb, the crippled, the mentally defective, the infirm and the aged; elaborate provision for the special needs connected with maternity, infancy, childhood, and the disposal of the dead; the provision of schools for children and of opportunities of instruction for adolescents and adults, as well as of libraries, museums, and art galleries; the organisation of apprenticeship, technical education, artistic production, and scientific research; the public organisation of the labour market; the prevention and treatment of destitution and distress caused by unemployment or misfortune; and the provision, for all classes and all ages, of music and other means of recreation, including the regulation of amusement and even its organisation. Among the tens of thousands of urban communities, in which more than half the population of western Europe and Australasia and an equally rapidly increasing proportion of the United States are now to be found, we see today an infinite variety in the extent, the manner, and the results of this collective organisation. What is universal and ubiquitous is a steady and continuous growth in the volume and the range of collective activity.

In the reorganisation of society which is thus everywhere proceeding, one important element in the consciousness of personal freedom, on the one hand, and in the efficiency of the social service, on the other, is the relation that exists between the local administrative bodies and the national Government. Here we may distinguish three main types. In France and Germany, the local administration, which is largely entrusted

to salaried officials of high professional qualifications, is, broadly speaking, closely supervised by and completely subordinate to the various departments of the executive Government of the State. The functions and powers of the local councils of elected representatives are narrowly limited; and their actual interferences with the local administration are, in almost all cases, subject to the control and approval of the central executive departments. In sharpest contrast stand the local governing bodies of the United States, which are, broadly speaking, wholly autonomous corporations, subject only to the State Legislature, to which the State executive departments are also subject, and which is itself limited in its powers by the State Constitution, to be changed only, after more or less elaborate precautions, by the electorate of the State as a whole. The result is that the administration of the local governing bodies of the United States is, broadly speaking, subject to no external supervision or control other than that of the ratepaying and voting electorates of their several localities.

In the United Kingdom, a middle course has been pursued. Prior to the Reform Act of 1832, there was virtually no connexion between the executive departments of the national Government and such local governing bodies as existed, which were accordingly, within the ample scope of the powers conferred on them by the law of the land, in practice as completely autonomous as those of the United States have remained. Nor did any supervision or control by the national Government enter into Lord Melbourne's plan of 1835. Gradually, however, it was perceived that it was essential that there should be, at any rate, some external audit of local government accounts; and that some external approval should be required before the local governing body was permitted, not merely to spend the rates paid by those who elected it, but also to embark on enterprises to be incurred out of loans mortgaging the future. Presently, it was realised that the government of a town was not merely a matter of interest to the inhabitants of that town, and that, whether in respect of roads and bridges, or in respect of infectious disease, whether in the health or in the education of its citizens, the nation as a whole had something at stake. The central executive departments had, moreover, at their command, a wider experience and a greater knowledge than any local body could possess. The difficulty was how to secure national inspection and audit, and national supervision and control, without offending the susceptibilities of local autonomy on the one hand, and without, on the other, losing the advantages of local initiative and freedom. The problem has been solved in the United Kingdom by the expedient of the grant in aid. The national Government, in the past three-quarters of a century, has successively "bought" the rights of inspection, audit, supervision, initiative, criticism, and control, in respect of one local service after another, and of one kind of local governing body after another, by the grant, in aid of the local finances,

and therefore of the local ratepayers, of annual subventions from the national revenue. These subventions have often been demanded by local governing bodies, and sometimes ignorantly accorded by complacent Ministries, as mere "doles" in relief of local burdens. Their actual function is, in fact, seldom explicitly realised. The bulk of the various grants in aid are now given conditionally on particular services being conducted in general accord with regulations framed for the purpose, and designed to secure a certain prescribed minimum of efficiency. The executive department necessarily assumes the duty of supervision and inspection, in order to see that the conditions are complied with. Since the amount of the grant may be reduced in default of such compliance, the criticisms and suggestions of the executive department, accompanied as they may be by a warning, come with authoritative force. They are not, as they are in France and Germany, mandatory injunctions, leaving nothing to local initiative and local discretion. The local governing body may grumble and dispute the accuracy or the cogency of the inspector's criticisms, or the value of his suggestions. Gradually, however, in one way or another, these well-informed criticisms and suggestions are attended to, at the instance of the local governing body itself, and in its own way. By this process, and with the aid of government grants, such local services as police and education have, without loss of consciousness of local autonomy, gradually been levelled up to a high minimum of efficiency. The process with regard to public health and the local provision for the invalidated has only just begun.

In the relations in which, with regard to the several services that it renders, the municipal association of consumers stands to its individual members, we see a wide variety. Consumption or use of the services may be legally compulsory, or may be left optional. It may be effectively voluntary, or virtually obligatory. Sometimes, the services are supplied to the individual users or consumers on payment of the whole or part of the average cost, in proportion to the amount supplied, as with gas and electricity; sometimes, in return for payment at generalised rates per unit irrespective of cost, as with road or bridge or ferry tolls, or the postal and tramway services; sometimes, for payments which purport to be made for the service, but are actually computed on some basis of fiscal ability, irrespective of the amount of service enjoyed, as is usual with water supply. Most commonly, however, the services are furnished on a frankly communistic basis, that is to say gratuitously, or at a nominal charge, with or without restriction or limit of user, the cost being defrayed from the communal property of the inhabitants, or levied upon them, according to their presumed ability, by means of taxation. So rapid, so unselfconscious, and so ubiquitous has been this development of municipal services that no complete statistical or descriptive survey of it has yet been made; and there is, as yet, no scientific study of its fiscal processes, and especially none of its "special assessments," or charges on

the individual for special services rendered. All that can be predicated of western Europe as a whole is that the extent, the variety, and the success of these communal enterprises, is, decade by decade, rapidly increasing. In England, the total capital under communal administration of this sort now amounts to more than a thousand millions sterling (or over £22 per head of population of the whole country)—a total that probably exceeds the entire capital of the England of Elizabeth, of the England of Cromwell, and even of the England of Sir Robert Walpole. To estimate how much this development of municipal services has meant in the amelioration of the human lot in life, let anyone consider how potent, how continuous and, in the crowded city life, how all-pervading, is the efficacy, in preventing suffering, degradation, and demoralisation among the masses, of the schoolmaster and the policeman, of the public doctor and the hospital, of the care of the orphans and the aged, of the systems of drainage and water supply, of the provision of parks and libraries. It is these things—not the discovery of radium or of the origin of species or the latest advances in spectrum analysis—that stand between the great urban aggregations of the twentieth century and the brutality and misery of barbarism. The typical figure of the England of the Middle Ages was the lord of the manor; the dominant types of the England of a century ago were the improving landlord and the capitalist mill-owner; the most characteristic personages of the England of the twentieth century are the elected councillor, the elementary schoolmaster, the school-doctor, and the borough engineer.

We see an essentially similar development of associations of consumers in another direction, specially characteristic of the latter part of the nineteenth century, differing from municipal government in resting on the basis of voluntary membership. What is known as the cooperative movement, the beginnings of which are to be found in the eighteenth century, has assumed different forms in different countries and in different decades. At the outset, it often took the shape of associations of producers, little communities of agriculturists or craftsmen, seeking themselves to own and to direct the instruments of their joint industry, and to share its product among their own members. These early cooperative experiments in agriculture and manufactures, sometimes limited in their aims, sometimes passing into communistic settlements—though taken up with fervent belief and potent driving force by Robert Owen (1771–1858), and frequently repeated by different groups of enthusiasts for half a century—failed to secure a permanent footing, and were one by one abandoned. Without realising how great was the discovery that they had made, the twenty-eight weavers of Rochdale in 1844 formed their little cooperative society in a new way, on the basis of the association of consumers. It was in the desire to organise jointly the supply of their own needs and to combine for the more advantageous expenditure of their own incomes—

not in the aspiration, which was one of the common forms of the time, towards cooperation as producers—that “the Rochdale Pioneers” inaugurated, and within half a century created, what has been aptly described as a State within the State.

Obtaining the necessary capital by their members’ own savings, fed from the ever-growing profits of their enterprises, the Cooperators have spread from town to town throughout the United Kingdom, and advanced from success to success. Their two-and-three-quarter million members, mostly of the wage-earning class, and representing probably one-fifth of the whole population, are now aggregated in about 1500 separate societies, which are themselves united in several great federations. Among them they carry on every kind of business (except only the provision of alcoholic drinks), from agriculture and manufacture to transport and banking; they have their own arable, pasture, and fruit farms, and their own creameries, butter and bacon and biscuit works, cocoa and jam and sauce and pickle factories; their own flour-mills and bakeries; their own dressmaking and shirtmaking and tailoring workshops, and even a corset factory; their own cotton-mills and clothing factories; their own hide and skin and boot and shoe and brush and mat and soap and lard and candle and furniture works; their own tinplate works and metal ware and crockery factories; their own printing establishments and their own newspapers; their own tea estates in Ceylon; their own buyers in foreign countries and their own ships on the sea; their own thousands of distributive stores, their own arrangements for insurance, their own banks, and even their own common libraries. Today, in the United Kingdom, the amount of the trade thus done by the two-and-three-quarter millions of Cooperative families with their fifty-five millions sterling of capital—the aggregate amount of the commodities and services thus supplied by themselves to themselves by the agency of their little army of 50,000 salaried officials, of the work thus performed for the common benefit without the supposed indispensable incentive of individual profit-making, and yet without any of the impracticabilities of communism—exceeds one hundred and twenty millions sterling annually; or more than the aggregate receipts from all sources of the municipalities and county councils and the other local governing bodies put together.

The two movements of municipalisation and cooperation have, in fact, been in the United Kingdom the complements of each other, and have as yet scarcely overlapped. Both represent an application of democracy to the supply of the wants of the household. The universal and compulsory cooperation of the citizens, embodied in municipal government, has developed so far mainly in the provision, by the agency of a salaried municipal staff, of gratuitous or nearly gratuitous services, or of such fundamental common necessities as water, light, transport, and housing. The bringing under democratic control of the

manufacture and distribution of the thousand and one commodities of food, clothing, and furniture that each household also requires has been undertaken, in the main, by the Cooperative Society formed on a voluntary basis and acting through its own salaried staff of officials. Together, as the result of the growth of the latter half of the nineteenth century these two movements in the United Kingdom have brought under collective control the supply of commodities and services representing an annual expenditure of something like two hundred millions sterling, or approximately one-eighth of the whole personal expenditure of the United Kingdom.

So great a shifting of the control and management of the production and distribution of the commodities by which we live could not fail to produce far-reaching social changes; changes which are all the greater in that they have taken place largely in the range of the life of the manual workers, and are, indeed, as yet scarcely known or appreciated by the middle and upper classes.

While the cooperative movement has, since its new birth in 1844, had enthusiastic prophets from other social classes—prophets and propagandists like Frederick Denison Maurice (1805–72), Thomas Hughes (1822–96), and Vansittart Neale (1810–92)—it has been essentially a working class movement. Moreover, it has been a movement without great intellectual personalities, in which integrity, prudence, and a certain gift among the thousands of committee-men of patient unselfish service in humdrum duties have counted for more than genius, though the historian must record the lifelong propaganda of George Jacob Holyoake (1817–1906). It is, in fact, in its intellectual and moral influence upon its members and the education of character, even more than the financial savings that it effects and encourages, that the cooperative movement has wrought a beneficent revolution among tens of thousands of working class families in the mining and manufacturing centres, and has contributed so largely to the social transformation of Great Britain. Each of the fifteen hundred cooperative societies, administering its own tens of thousands of pounds' worth of capital, engaging in an innumerable variety of enterprises, manufacturing as well as distributive, and sharing in the wider life of the federated movement as a whole, is managed by little committees of almost exclusively working class representatives, democratically elected by all the members, and accounting for their action at quarterly public meetings where all the affairs of the society are discussed. The largest society, the federal organisation known as the Cooperative Wholesale Society, wielding six millions of capital, doing twenty-five million pounds a year of business, employing nearly 20,000 hands, in a hundred different trades, at a hundred-and-fifty separate establishments, in ten different counties, is all managed by a committee of thirty-two ex-workmen, elected annually by the two million members. To the half-century of training in public adminis-

tration and in the working of representative institutions, which the cooperative movement has provided in nearly all the English and Scottish mining and manufacturing centres, the British working class owes much of its political education. A similar educational effect is to be seen in Ireland, where the cooperative movement, established practically by the patient service of Sir Horace Plunkett, is scarcely twenty years old. Here, the prominent type is that of the cooperative creamery or butter factory, established by a group of peasant farmers or small holders for the better disposal of the milk of their cows. The cooperative creamery is managed by a committee of the contributing members, and the profits are shared among them in proportion to the quantity and quality of the milk supplied by each. Beginning with a common enterprise of this sort, the small holders of many localities have learnt to combine and to work together for other purposes in which they have a common interest.

The cooperative movement is often ignorantly described as having succeeded in distribution and failed in production. Yet, beginning first with distribution, the fifteen hundred cooperative societies in Great Britain have built up a large number of manufacturing enterprises of the most varied kind and not a few of agricultural character, especially in dairy products. Their creameries and their manufacturing enterprises enjoy a permanent and ever-growing success. Five of the largest flour-mills in England, producing annually food for two million persons, and the most extensive boot and shoe factory in the United Kingdom, turning out more than a million pairs a year, are both owned and managed by the federated two millions of cooperators. It is, however, true that another type of cooperative society, founded on the diametrically opposite principle of the association of producers, has always languished, and has never attained any great measure of success. Taken up by the Christian Socialists of 1848, the ideal of the "self-governing workshop," in which the wage system would be superseded by groups of craftsmen, themselves owning the capital with which they worked, and selling the common product for the common benefit, long continued to captivate successive generations of idealistic workmen and philanthropists. But innumerable experiments have demonstrated that this organisation, though it may live for a time, and even for a long time in particular industries, is not usually compatible with the discipline, the concentration of managerial capacity, and the accumulation of capital, required by modern competitive industry. Cooperative societies of this kind, generally confining themselves to industries of low capitalisation in proportion to the number employed, either fail altogether, or else depart from the "self-governing workshop" ideal—mostly coming, in fact, to consist, in large proportion, of investing members who are not workers, and who appoint a manager to direct wage-workers who are not members. The modern form in which the idea of the

association of producers now finds embodiment is that of profit-sharing, often termed industrial copartnership, or the concession by the owners of the capital of a bonus over and above wages, combined, if possible, with some representation of the manual workers in the council of partners or directors by which the business is directed. This, though in practice little more than a philanthropic modification of joint-stock capitalism, has in certain cases had a great result in stimulating saving among the best of the workmen, and in enabling them to join the class of small investors.

On the Continent of Europe, the cooperative movement took at first other forms. In Germany, the most prominent for a long time was that of the cooperative loan society, where the joint savings or the corporate borrowings of the members constituted a fund from which loans could be made to such of their own number as required capital, a system of mutual guarantee and neighbourly supervision enabling this credit to be given safely to individual borrowers without means. We need not here distinguish between the Schulze-Delitzsch banks, started about 1850 by Hermann Schulze, burgomaster of Delitzsch, specially adapted to urban circumstances, and spreading mainly in the towns; and the Raiffeisen banks, begun about the same time by Friedrich Wilhelm Raiffeisen, burgomaster of a district near Neuwied, designed to meet the needs of agriculturists, and spreading chiefly in the country. The Schulze-Delitzsch banks, of which there have come to be over a thousand, with over half a million members, and loan transactions of a hundred and fifty million pounds sterling annually, are individually larger institutions than the majority of the Raiffeisen banks, of which there are now no fewer than 13,000 with a million and a half members, and loan transactions approaching two hundred million pounds sterling annually. In this form, cooperation, while bringing under collective control the banking services needed by its members, and, so to speak, "democratising" the moneylender, is so far from aiming at superseding individual profit-making enterprise, that it has come to the aid of the *petite industrie*, alike in manufacture and in agriculture. Among the small masters and jobbing handicraftsmen, by whom so much of German industry is still carried on, and especially among the peasant proprietors and small holders who contribute so large a proportion of its agriculture, this popular cooperation to supersede the individual banker or usurer—to perform collectively for the common good what would otherwise be done individually for private profit—has wrought marvels of prosperity.

In France, the most prominent part in the cooperative movement was long played by small cooperative societies engaged in manufacturing industry, in which many of the workers were members. But, with increasing international intercourse, all forms of cooperation are now to be found in all the countries of western Europe; the largest part being now played by the Cooperative Societies of the nature of associations of

consumers, who combine in order, by their own salaried agents, to provide for themselves collectively, whether in agriculture, manufacturing, banking, transport, or retail distribution, without the intervention of any profit-maker, what they and their households individually require.

Such a shifting as we have described of the very basis of social organisation from producers to consumers in the development of municipal government and the cooperative movement, could not fail, even though largely without consciousness of itself, to influence the politics and the legislation of the time. In the United Kingdom in particular, the whole movement for freedom of trade, whether it took the form of abolition of gild and apprenticeship restrictions, or removing the customs barriers between nations, obtained its popular support and its far-reaching influence largely from the claim of the consumer to free the products he needed or desired, from the bonds and fetters of custom or law or tax. The English manufacturer of the early part of the nineteenth century may have desired Free Trade as a means of growing rich beyond the dreams of avarice; but Peel and Gladstone opened the ports because it was felt that the claims of the consumer could no longer be denied. Other countries followed the lead thus given by the United Kingdom. The last remnants of gild ordinance and customary regulations hampering free competition passed rapidly away, and "Cobden Treaties" and "most favoured nation clauses" seemed, by the end of the third quarter of the nineteenth century, destined at no distant date to remove all "artificial" obstacles, and to attain the "Early Victorian" economic ideal of that perfect freedom of competition in which the consumer finds all the economic processes of the world conducted in obsequious obedience to his taste or whim, at the lowest possible cost of production.

But it gradually appeared that, in this apotheosis of the consumer, there were certain adverse features. The "industrial revolution," as it is called, which took place in England in the eighteenth century and on the Continent of Europe and in the United States at various dates in the nineteenth century, had resulted in all forms of industry, whether mining or manufacturing, transport or retail distribution, and even the greater part of agriculture, being organised on a capitalist basis. Especially in manufacturing industry, and in the towns, the typical figure ceased to be that of the master craftsman, himself a manual worker, who, in his family group of journeymen and apprentice, owned his industrial plant and the commodity that he produced, and sold that commodity for his own profit. In his place, we have the capitalist *entrepreneur*, using his capital to hire large numbers of lifelong wage-earners, entirely divorced from any economic interest either in the plant with which they work or the product which the associated labour of the factory or mine turns out for the profit of the proprietor. The forge of the village blacksmith has been superseded by the iron foundry, employing scores or hundreds

of "hands." The latter part of the nineteenth century witnessed a continuous and almost ubiquitous tendency towards the consolidation of industrial enterprises into larger and larger aggregates, in the twentieth century sometimes amounting to as many as fifty thousand workmen in a single capitalist enterprise; though this tendency is far less marked in agriculture than in other forms of enterprise. The result has been, throughout the whole of the nineteenth century, that the proportion of the workers who owned the product of their labour, or who participated in the profit derived from its sale, has steadily diminished; while the proportion of recipients of a mere wage or salary has steadily increased. The opening of the twentieth century finds, except in the agricultural small holdings of certain countries, and in a few surviving handicrafts, nearly the whole manual-working class divorced from the soil and from the ownership of the capital with which it works; dependent (apart from its relatively small invested savings) exclusively on wages; and constituting, in all advanced industrial nations, from two-thirds to four-fifths of the entire population. The nations have become, not democracies of independent producers such as Rousseau and Jefferson and Franklin contemplated, but "democracies of hired men," whose economic interests are primarily not in the amount of their product, of which they enjoy no share, but in the conditions of employment that "freedom of competition" accords to them.

It is the growing popular appreciation of this fact, long unseen either by the economists or by the capitalist class, which has, in the main, produced the social movements of the past three-quarters of a century. It seemed of small advantage to the Lancashire coal-miner of 1842 that he might get his clothes cheaper by means of perfect freedom of competition, if this meant also that he found himself driven to work excessive hours under insanitary conditions, in mines where precautions against accidents were omitted because they were expensive to the employer, and for wages which the employer's superiority in economic strength inevitably reduced to the barest subsistence level. It was a poor consolation to the Bolton cotton-spinner of 1842 that he could buy more cheaply the coal used by his wretched household, when the cotton-mill (equipped with the latest mechanical inventions for diminishing human toil) was compelling him and his wife and his little children to labour for twelve or fifteen hours a day, under revolting sanitary conditions, amid dangerous machinery left unfenced for the sake of economy, and in an atmosphere deliberately made unhealthy by gas and steam, in order that there might be fewer threads broken in the yarn that he was making. When the results of unrestrained competition in the employment of labour were gradually, and very slowly, perceived by the philanthropists, and made known by Robert Owen (1771-1858) and Lord Shaftesbury (1801-85), the statesmen found that they had no answer. The Free Trade economists of the first half of the nineteenth century—

and indeed, all who, consciously or unconsciously, were basing human society upon the needs and desires of the consumers—had learnt only half their lesson. They had been so much taken up with the idea of removing barriers and obstacles to have failed to realise that they had also to get rid of those illegitimate profits, involving a drain on the national life. M'Culloch and Nassau Senior, Cobden and Bright, understood that the grant of money aid to a particular industry out of the rates and taxes enabled that industry to expand, and to secure more of the nation's brains and capital, and more of the world's trade than was economically advantageous. They even recognised that the use of unpaid slave labour constituted an illegitimate drain on the national resources quite as much. But they never comprehended that to set the employer free to make exactly what arrangements he chose for his work, and to conclude exactly what bargains he chose with his individual operatives, inevitably meant, because of his superiority in economic strength, the reduction of wages for mere "common labour" to the worth of the marginal man—to a point, in fact, which experience proved to be even below what was physiologically necessary for subsistence—the exaction of hours of daily labour far in excess of what was compatible with healthy existence; the harnessing to the mill of the pregnant woman, of the nursing mother, of the immature youth, even of the child; the subjection of them all, in the attempt to reduce expenses to a minimum, to brutalising and insanitary conditions, and even to incessant risk of accident, for lack of the necessary expensive precautions; and, actually, when it was found to facilitate the manufacture, to the deliberate use of deleterious substances and the deliberate vitiation of the atmosphere by artificial heat and moisture to the ruin of the operatives' health.

All this meant, by the using up of successive supplies of human labour, each in turn to be prematurely flung on the rubbish heap of charity and the Poor Law, a subsidy to particular industries, not less inimical to the objects of Free Trade than if it had been granted from the taxes. But because it came as a drain on the vitality of the nation as a whole, paid in the first instance by the manual workers themselves, whose blood was thus coined for drachmas, the economic nature of the arrangement was long unrecognised. Not until the latter part of the century was it perceived that, if the object of Free Trade was to promote such a distribution of capital, brains, and labour as would result in the greatest possible satisfaction of human needs, with the least expenditure of human efforts and sacrifices, the limitation of the autocracy of the employer—the enforcement with regard to the conditions of work of the will of the many instead of the will of the one—was not only a necessary extension of democracy, but also as indispensable a part of the Free Trade movement, considered as an assertion of the real interests of the consumer, as the tariff reforms of Cobden and Bright. "During that

period," wrote the Duke of Argyll (1823-1900), "two great discoveries have been made in the Science of Government; the one is the immense advantage of abolishing restrictions on trade; the other is the absolute necessity of imposing restrictions on labour....And so the Factory Acts, instead of being excused as exceptional, and pleaded for as justifiable only under extraordinary conditions, ought to be recognised as in truth the first legislative recognition of a great National Law, quite as important as Freedom of Trade, and...like this last...destined to claim for itself wider and wider application."

We see this revolt against sacrificing everything to cheapness, which unrestricted freedom of enterprise was supposed to produce, leading gradually to factory legislation. The first hesitating steps in the legislative regulation of the conditions of employment, beginning with the Factory Acts of 1802, 1819, 1825 and 1833, and the Mines Regulation Act of 1842, were taken merely empirically, with the object of remedying patent abuses, and of giving to specific classes of wage-earners, by the strong arm of the law, that protection against ill-usage which they had been unable to obtain for themselves. Step by step this legislative protection has been extended, from trade to trade, from one class of workers to another, and from one element in industrial life to another. The Mines Regulation Act of 1842 was followed by successive statutes, steadily increasing the extent and minuteness of the precautions required against accidents, of the provisions for safeguarding the workers against being cheated in their wages, of the regulation of the work of women and boys, of the limitation of the hours of labour even of adult men, and, generally, of the supervision of the methods of working. By the Merchant Shipping Acts a similar legislative protection was extended to the seamen, and all others employed on ships. By the Regulation of Railways Acts of 1889 and 1893, the Board of Trade was charged with the prevention of excessive hours of labour among railway servants, and was enabled to insist on a reduction in the hours in all cases in which this was deemed necessary. By successive Truck Acts, Factory and Workshop Acts, and Shop Hours Acts, practically all manufacturing industries and nearly all retail shops employing female or youthful assistants have similarly been brought under regulation and inspection. "We have today," as the biographer of Richard Cobden enthusiastically recounts, "a complete, minute, and voluminous code for the protection of labour; buildings must be kept pure of effluvia; dangerous machinery must be fenced, children and young persons must not clean it whilst in motion; their hours are not only limited but fixed; continuous employment must not exceed a given number of hours, varying with the trade, but prescribed by the law in given cases; a statutable number of holidays is imposed; the children must go to school, and the employer must every week have a certificate to that effect; if an accident happens, notice must be sent to the proper

authorities ; special provisions are made for bake-houses, for lace-making, for collieries, and for a whole schedule of other specified callings ; for the due enforcement and vigilant supervision of this immense host of minute prescriptions, there is an immense host of inspectors, certifying surgeons, and other authorities, whose business it is 'to speed and post o'er land and ocean' in restless guardianship of every kind of labour, from that of the woman who plaits straw at her cottage door, to the miner who descends into the bowels of the earth, and the seaman who conveys the fruits and materials of universal industry to and fro between the remotest parts of the globe."

From England, factory legislation spread successively to France, Switzerland, and Germany ; to Austria and Italy ; to all but the more backward southern States of the United States of America ; to the principal British colonies and to India ; and even to Holland and Belgium, which long remained behind the other industrial countries. Taking the subject as a whole, and regarding administration as well as legislation, the United Kingdom still keeps the lead. But in many details other nations have improved on the lessons they have learnt from England. Especially in such matters as the minimum age at which children may be employed in the factory, the provision for continuation of their school education, the prevention of street trading by children and young persons, the protection of the workers from deleterious substances, the regulation of the employment of women just before and after child-birth, and the securing of a living wage in the "sweated" trades, Switzerland or Bavaria, France or New Zealand, Massachusetts or Victoria, have here and there gone ahead of British legislation. A voluntary association, the International Union for Labour Legislation, with its seat at Basel, now seeks to systematise and render identical or equivalent the "Labour Codes" of the civilised world.

The general acceptance and wide extension of factory legislation is, however, of very recent date. During the first half of the nineteenth century any interference with individual bargaining between employer and workmen found, as a principle, no favour with the enlightened classes ; and the workers, despairing of parliamentary help, sought to protect themselves by voluntary associations. It is, indeed, a feature of the typical nineteenth century development of the substitution of collective for individual control that voluntary association and government action have always gone on side by side, the one apparently always inspiring, facilitating, and procuring successive developments of the other. Just as the progress of the collective control of the conditions of life in the form of municipal government has been paralleled by the growth of collective control over the household supplies in the form of the cooperative movement, so the progress of legislative regulation of the conditions of labour in the factory and the mine has been paralleled by the advance of analogous regulation by means of Trade Unionism,

Beginning, apparently, at the end of the seventeenth century, but not for over a hundred years making any great headway, the operatives in particular industries have combined in order to maintain their standard of life. Their instrument was, essentially, that eventually adopted by Parliament in the Factory Acts, namely, the substitution, for the terms that the individual employer was able to impose on the individual wage-earner, of common rules for the trade as a whole, embodying a minimum standard below which no employer and no operative was allowed to descend. Parliament began with common rules as to sanitation, protection against accidents, and the hours of labour of children. The Trade Unions began with common rules about rates of wages and methods of remuneration and the normal working day. Parliament enforced the common rules by official inspection and criminal prosecutions. The Trade Union developed only slowly a staff of salaried officials, and these had no right of entry to the employers' premises; and the only instrument on which it could rely to secure conformity with the common rules laid down for the trade was the strike.

We need not repeat the nineteenth century story of English Trade Unionism—how by the aid of Francis Place (1771–1854) and Joseph Hume (1777–1855) it was grudgingly legalised in 1824–5; how it got caught up in 1830–5 in one of the many phases of Owenism, and nearly became entangled, in 1842–8, in the political movement of Chartism; how it gained a new start, on more sober lines, in 1846–51, and developed on the more solid financial basis of an industrial insurance association; how these changes led to renewed parliamentary recognition of Trade Unionism in 1871 and 1875; how the movement, which had sunk into a somnolent acquiescence in industrial conditions, became reinvigorated in the last decade of the century, as the result of awakening “class consciousness” among the labourers; how, in 1903, in the “Taff Vale Railway case,” the judges once more reversed the intention which Parliament had imperfectly expressed in its statute, and made the Trade Union (though denied the rights of a corporate body) liable for pecuniary damages as if it were a corporate body; how, in consequence of this decision, the Trade Unions swung their whole force into the rising “Labour party,” and extorted from an unwilling Legislature, in 1906, a new Statute specifically conceding the inviolability of their corporate funds. Nor is it pertinent to recall the various pitched battles which, over the establishment of the common rules that we have described, the Trade Unions have fought with the employers, in the form of long and embittered strikes and lockouts, from which no decade has been free. It must suffice to record that, at the beginning of the twentieth century, the Trade Unions of the United Kingdom number over two and a quarter million members, enjoy an annual revenue of more than three million pounds, and possess accumulated corporate funds exceeding six millions sterling. In many great industries—as it significantly happens,

exactly those in which British industry has been most successful in holding its own against foreign competition—such as cotton-spinning and weaving, ship-building, and coal-mining, practically every workman belongs to his Union.

Trade Unionism, like factory legislation, has spread to all industrial nations, adopting practically the same devices to secure its ends. Beginning, usually, with attempts at restricting the numbers of the trade, by limitation of apprentices or other barriers to entrance, as was natural with what, after all, was an association of producers, though of wage-earning producers only, and occasionally vainly seeking to adopt such typical employers' devices as restricting output and regulating prices, the organised workmen are seen everywhere settling down, as they acquire experience of the practical economics of the labour question, into the one device of the common rule, overriding where necessary all individual bargaining. Just as factory legislation, on the points with which it deals, lays down common rules in the form of prescribed minima, below which no employer and no workman is permitted to descend, so the Trade Union of workmen seeks, in treaty with the associated employers, to enact for the trade similar common rules, prescribing minima on other matters. These common rules everywhere include a standard minimum rate of remuneration, whether by time or (as an actual majority of Trade Unionists desire) more commonly by the piece; usually, also a normal day, or standard minimum of leisure; and, in the most advanced trades, also standard conditions relating to the sanitation, the safety, and the comfort of the workers. All such common rules the Trade Union seeks to get accepted by the employers, either by the method of collective bargaining, where the workmen as a whole, after more or less of discussion, make a treaty with the employers as a whole; or, to the extent that the legislature is under popular control, by statutory enactment.

Thus, in the most advanced industrial communities, Trade Unionism and factory legislation share the field between them. The common rules of the one supplement and support the common rules of the other. The cotton mill-owner and the cotton operative—in 1842, in practice almost free to do as they individually chose—find themselves at the beginning of the twentieth century moving in “the higher freedom of collective life.” The management of the industry is recognised to be of common concern. No mill-owner and no operative may do “what he likes with his own.” The associated employers, the associated workmen, and the community as a whole represented by the factory inspector, are bound together by elaborate codes, partly statutory, and partly the outcome of voluntary treaties, regulating wages, hours, holidays, meal-times, temperature, humidity, sanitary conveniences, the use of machinery, the speed of its working, the character of the material, the duration of engagements, and nearly every detail of the factory life. These codes, which are enforced not by the Government factory inspectors

alone, but also by salaried officials of the Employers' Association and salaried officials of the Trade Union, who enjoy in practice the same right of entry as the factory inspector, impose *minima* only, not *maxima*, and thus leave freely open to individual emulation and competitive enterprise of masters or of workmen the utmost opportunity on the upward way, but rigorously bar, to employer and operative alike, as inevitably leading to a degradation of the standard of life of the whole class, any attempt to pursue the downward way.

Towards the latter part of the nineteenth century, the historian has to record a further development. Men have gradually become aware, dimly and imperfectly, that there is a more fundamental basis for both factory legislation and Trade Unionism than the mere protection of the weak against the personal power which the command of capital gives to the employer. What is now seen to be essential is that, whether the workman be weak or strong in his bargaining power, wise or foolish in his demands, the community must see to it that those conditions which are requisite for social well-being shall not be infringed. This is now accepted, not only as a matter of emulation among nations, but, according to the lessons which Political Economy has learnt from biology and from Darwinism, as a fundamental necessity of national existence. "Every society," said Mr Asquith, "is judged, and survives, according to the material and moral minima which it prescribes to its members." Hence has come the conception of what has been called the "national minimum"; conditions of existence which, because they are deemed indispensable to social health, the State insists on importing into every bargain for the hire of labour, if not also into every act of a man's life.

There is a national minimum of sanitation, including protection against avoidable accidents and preventable diseases. Three-quarters of a century of endeavour, beginning with Robert Owen in 1819 and Sir Edwin Chadwick (1800-90) and Southwood Smith (1788-1861) from 1835 onward, gave us, first the general Public Health Act of 1848, and then the successive extensions of public health activity, by which the death-rate at all ages has been so much diminished. We now insist by law, not only that no factory, but also that no dwelling-house, shall be permitted to fall below the minimum prescribed for health. A new meaning and a new universality is given to the requirement that there shall be proper ventilation and heating of all workshops; that machinery shall be fenced; and that the vitiation of the atmosphere of the mill by "steaming" shall be kept within limits. It is this conception of a national minimum of sanitation which inspires and justifies the statutory provisions which now demand that proper water supply, sanitary conveniences, and drainage, shall be everywhere provided; that houses shall be properly built; that suburbs shall be properly planned and laid out; that constantly increasing precautions shall be taken against infectious diseases; and that, when accidents do happen, or when, in the course of

the industry, certain specific diseases are contracted, the medical treatment and maintenance of the injured workman shall be provided for by public hospitals and by a public medical service, as well as by money compensation. All this is not merely the protection of the weak, because it applies equally to the strong, and is enforced even against the wish of those whom it is desired to benefit. It is an assertion of the right and duty of the community as a whole to prescribe in its own interest the minimum conditions of health for every one of its citizens.

There is a similar national minimum of education. For its own sake, the State now insists (though not yet in rural parts of Ireland) that every child from five to thirteen or fourteen shall receive what is deemed proper instruction, and provides (at an expense from public funds in the United Kingdom of £25,000,000 a year) an elaborate array of schools and universities of every kind. There is, though as yet only over a part of the industrial field, a national minimum of leisure, in the legislative prohibition of the employment of persons for more than a specified number of hours in the twenty-four. This enforcement of a national minimum of leisure, applied at first only to parish apprentices, then to children in textile factories, then to women, then to other industries, has now been extended to adult men, imperfectly in the great railway service and in certain dangerous processes, and (in 1908) generally to all coal-miners working underground. Finally, we have in the legislation of New Zealand and Australia—now also partially imitated in the United Kingdom and France—what amounts to a much more important national minimum of subsistence than was afforded in England by its Poor Law. In the “determinations” of the Wages Boards of Victoria, and in the “awards” of the compulsory Arbitration Tribunals of New Zealand and New South Wales, and by the Trade Boards of the United Kingdom (1909), we see the imposition on the employers in particular trades of legally enforced common rules as to the minimum rates of wages to be paid in those trades, strictly analogous to the common rules with regard to sanitation and the hours of labour already imposed by the factory legislation which has spread through the whole civilised world. The same conception of a national minimum has lent a new significance also to the intervention by the Government of the State in the duties which have been entrusted to local governing bodies. The opening of the nineteenth century saw each locality free, in practice, to administer its own local affairs in the way that its own inhabitants, or those who acted on their behalf, chose to prefer. The twentieth century finds us recognising that we are members one of another; and that, if any one district permits insanitary conditions to continue, or provides an inadequate police force, or lets its roads fall below the common standard, or starves its educational service, it is not only the local residents who suffer, but the nation as a whole. Hence, in the United Kingdom, the enforcement upon local governing bodies of the national minimum of

efficiency in one service after another is becoming even more insistent and peremptory. Among local authorities, as among individuals, the laggards are being increasingly screwed up. This, indeed, is to some extent the explanation of the persistent rise of local government expenditure, even in the most somnolent districts, and of the ever widening spheres of municipal activity. Thus it is that at the opening of the twentieth century the potent lever of the grant in aid is securing for itself a constantly increasing field of play in English internal administration, and is, in fact, if we consider the actual business of twentieth century government, already the central feature of the real as distinguished from the nominal Constitution of the United Kingdom.

There is, in this development, yet another factor to be mentioned. In addition to many of the services and commodities which the people use or consume being placed under collective control, by municipalisation or cooperation, while many of the conditions of their daily life are subjected to collective regulation, by factory legislation or Trade Unionism, they are found, at the opening of the twentieth century, enjoying elaborately organised collective provision for the special needs of those among them who are unable to provide for themselves. Here again, we have to record the parallel development of the two forms of collective organisation, the one universal and obligatory, the other partial and voluntary. England had had, from the latter part of the sixteenth century, a nationally prescribed public provision for the poor. In 1842, however, this was nothing but the relief of destitution—the bare keeping alive by doles of necessities those who would otherwise have starved. The actual legal scope of the Poor Law has continued, down to the present day, essentially unaltered. But the second half of the nineteenth century saw the growth of new methods of provision for one class after another, until, by the end of the century, the operations of the Boards of Guardians had come to form only a fraction of what was being done out of the rates and taxes.

For the children, in particular, the local Education Authorities, from 1870 onwards, have provided more and more elaborate education; at first for weekly fees, but after 1890 gratuitously; at first in elementary subjects only, but after 1902 without restriction of subject or grade or limit of age; at first in the form of tuition only, but gradually also in the supply of books and instruments, by school journeys and excursions, and (from 1906 onwards) even medical inspection and medical treatment and school breakfasts and dinners wherever required. With regard to the sick, the local Health Authorities have, from 1848 onwards, been steadily increasing their organisation and their services; until the opening of the twentieth century sees in existence more than seven hundred municipal hospitals, in which treatment and maintenance is provided, irrespective of their personal means, for all who are suffering from any of a constantly growing number of diseases in which the com-

munity is specially concerned; and this maintenance and treatment is usually provided gratuitously. In the most highly organised cities, the salaried Medical Officer of Health has now his own extensive staff of assistant doctors, health visitors, and sanitary inspectors who, instead of waiting for requests, make it their business to "search out" disease, and in the public interest practically to press on the sufferers both the medical treatment and the hospital maintenance which they may require. A special staff often visits every house in which there is a birth; a municipal milk dispensary often supplies, either at an unremunerative price or quite gratuitously, the requisite milk for the infant, and keeps it under periodical observation. For the persons of unsound mind, or in any way mentally defective, the local Lunacy Authority provides elaborate asylums, irrespective of their means; built, equipped, and maintained on a scale far above that of even the prosperous wage-earning household. For the aged, following the example of New Zealand and Australia, and, in a sense, also that of Denmark, the Government has provided non-contributory superannuation allowances; and the local Pension Authority began in 1909 to disburse pensions from national funds to 700,000 persons over 70 years of age whose income did not exceed thirty-one pounds ten shillings a year. For the able-bodied men and women in distress from want of employment, local Distress Committees, acting under the Unemployed Workmen Act of 1905, provide assistance deemed more suited to their needs than that of the Poor Law.

Thus, with regard to each section of the pauper army which the Boards of Guardians in 1834 were established to relieve, there has since grown up a new public authority, making other provision deemed more suitable to its peculiar requirements. Meanwhile the administration of the Poor Law has itself been transformed. Instead of giving mere relief, the Boards of Guardians, under the influence of public opinion, have provided elaborate schools for the children, highly equipped hospitals for the sick, with all the services of modern surgery, convalescent homes, etc., and, here and there, even comfortable asylums for the respectable aged, apart from the evils of that general mixed Workhouse, which meets, in the twentieth century, with ever widening condemnation. The result is that, in place of the seven millions sterling that was being annually spent on the poor in 1832, when the well-known Royal Commission was appointed to restrict so terrible a drain on the nation's wealth, the total expenditure from rates and taxes in the first decade of the twentieth century, on the maintenance, education, and medical treatment of the poorer classes, reached, in the United Kingdom, nearly seventy millions sterling annually, of which less than one-third still retains any association with pauperism or the Poor Law.

Side by side with this steadily increasing collective provision for particular classes out of public funds, we see a parallel development of collective provision on voluntary lines. In 1842, when the wage-

earner fell ill, or when any of his household fell ill, there was usually no resource on which he could rely, except his individual savings, and the exiguous services contributed by the Poor Law of that period. Gradually and almost silently, there has grown up in the United Kingdom a marvellous network of voluntary Friendly Societies, organised and administered by their members, in which, in the first decade of the twentieth century, no fewer than six or seven millions of the wage-earning and lower middle classes are enrolled. These voluntary organisations, managed almost entirely by working men, or, at all events, by men who have been manual working wage-earners, have learnt, by the hard lessons of experience, how to provide for their members with safety and efficiency a weekly money payment during sickness, the requisite medical attendance, maintenance when necessary during convalescence, and the expenses of burial. These benefits have been gradually developed in such a way as to constitute a rough sort of provision against the premature invalidity of the insured workers. But in thus developing, these voluntary Friendly Societies, unaided by any subvention from public funds, seem to have reached the limit of their power. Their attempts to provide for their members either old age pensions or maintenance during unemployment have not achieved success. The weekly contributions required to provide for the benefits already undertaken appear to be as great as the mass of the wage-earners can be induced to afford—to be, in fact, beyond the means of the millions of the more lowly paid and the more irregularly employed labourers, among whom Friendly Society membership makes no headway. In certain highly organised trades (comprising only 7 per cent. of the adult wage-earners) the Trade Unions add insurance against unemployment to the other benefits. This insurance has, however, not been found possible by two-thirds of the Trade Unionists, and is unknown to the other five-sixths of the adult wage-earners who are outside the Trade Unions, the great majority being engaged in occupations to which Trade Unionism has not yet extended. For old age pensions there is nowhere any extensive collective provision by voluntary organisations. Hence it was that the State stepped in to do what voluntary agencies had failed to provide. In the last quarter of the nineteenth century, the Government of the German Empire built up an enormous scheme of insurance of the wage-earners against sickness, accident, premature invalidity, and superannuation, under which no less than thirty million pounds sterling are now annually distributed to more than three millions of beneficiaries. But in Germany there existed nothing equivalent to the network of voluntary Friendly Societies that cover the United Kingdom; and the government scheme had therefore necessarily to include provision for sickness as well as for old age. The funds have been provided partly by a universal and compulsory deduction from wages, partly by an obligatory contribution from all employers of labour, and partly by the State,

which itself controls, through a complicated hierarchy of voluntary committees, the elaborate organisation that so great an insurance fund involves. One great drawback of the scheme is that no provision is made for wives or widows who are not themselves wage-earners—a difficulty which no contributory scheme, based on deductions from wages, or on payments in connexion with wages, has yet surmounted.

The peculiar combination of government and voluntary administration, and of the workmen's contributions with state subventions, which the German Empire has created, is slowly being imitated, at the beginning of the twentieth century, in France and Switzerland, Belgium and Norway. In the United Kingdom, as in Australia and New Zealand, the existence of voluntary Friendly Societies on a large scale apparently prevents the Government from following this example. Moreover, in the United Kingdom at any rate, the extensive provision for the hospital treatment of sickness made both by the Public Health and by the Poor Law authorities, and the elaborate system of poor relief to persons incapacitated from going to work, already covers, though in different ways, part of what is done under the German pension scheme. Thus it is that, in the United Kingdom, as in New Zealand and Australia, the government pension scheme has, so far, dealt only with old age, and has proceeded on the lines of exacting no separately earmarked contribution from workmen or employers, but of freely awarding pensions out of the national exchequer to aged persons fulfilling the specified conditions. In one direction, however, the grant of public funds in aid of workmen's collective insurance has spread even more rapidly than government insurance schemes. The first ten years of the twentieth century saw developed, in several continental countries, a plan by which workmen were encouraged and enabled to undertake that collective provision for unemployment which the better paid among the English and American artisans had long made for themselves. Under what is called the Ghent system—instituted at Ghent in 1901, and within seven years adopted by all the other towns of Belgium; imitated in France (1905); at St Gall in Switzerland (1905); at Strassburg (1906); in Norway (1906); and in Denmark (1907)—a contribution from public funds is paid to Trade Unions and other societies giving "out of work pay" to their members when out of employment, amounting to a definite proportion of the sums actually so disbursed in the preceding year. Under this stimulus, there has been in these countries a great development of Trade Union insurance against unemployment. Pressure to join a Trade Union is in this way converted by the public authorities into pressure to insure against future distress from want of work.

Thus, in all directions and throughout the whole civilised world, we may distinguish, as the dominant characteristic of the social movements of the past three-quarters of a century, an ever growing elaboration of organised common action. What was formerly either left to the

individual household to provide, or left altogether unprovided, is now, to an ever increasing extent, provided for large numbers of households by some collective administration. This collective administration takes many forms, differing widely from country to country, from service to service, and from decade to decade. Some of it, as we have shown, is on a voluntary basis, and the cooperation is really optional. Much of it, on the other hand, is governmental in its nature, whether municipal or national; though the use of the service is often optional. The common rules may be voluntary in their origin, and yet virtually compulsory; they may, on the other hand, take the form of peremptory laws, which it is left open to particular localities or communities to adopt or not as they choose. With the rapidly growing preponderance and size of town populations, the cooperation tends, however, to become more and more obligatory. Without the common rules that the law lays down and without the services that the municipality supplies, the citizen of the twentieth century would usually find it impossible to live.

But it is not alone the nineteenth century need for collective organisation that has made this so prominent an element in all the social movements of the last seventy-five years. What we see in many directions is the deliberate substitution of collective action, where individual action was still perfectly practicable. Factory Acts and Mines Regulation Acts were not made because the capitalist employers found any difficulty in achieving their ends. A large part of the impulse to this collective organisation, whether in Trade Unionism, or cooperation, factory legislation, or municipal developments, has come from that desire for popular self-government which is the spirit of democracy. But it is democracy in a more extended sphere than that to which the old jurists were accustomed to restrict it. This extension is, however, only one of a long series. When the Commons of England had been granted the right to vote supplies, it must have seemed an unwarrantable extension that they should claim legislation also. When they passed from legislation to the exercise of control over the executive, the constitutional lawyers were aghast at their presumption. The attempt of Parliament to seize the command of the military forces of the nation was the signal for the outbreak of a Civil War. Its authority over foreign policy is only two centuries old. Every one of these developments of the collective authority of the nation over the conditions of its own life was denounced by great authorities as an illegitimate usurpation. Every one of them is still being resisted in countries in the less advanced stages of political development. In Russia the right to refuse supplies is not yet definitely conceded; in Prussia control over the executive is withheld, and throughout the German Empire the control of the army; while in Austria-Hungary, the legislature is still without the power to control the foreign policy of that composite empire. In the United Kingdom, we have been silently

extending the power of the people to regulate, by means of their elected representatives, the conditions under which they work and live. To the capitalist, as to the great mass of the middle and upper classes, this extension of collective action has often seemed an infringement of individual liberty. To the mass of the people it has seemed a positive increase in individual liberty, and a necessary application of democracy. Although the power that kept the worker in the unregulated factory for fourteen or fifteen hours, or that subjected him to insanitary conditions, was not the tyranny of king or priest or noble, the wage-earner felt that it was tyranny all the same, and he has sought to curb it, and to enlarge the individual liberty that he enjoyed, by the substitution of collective for individual control. It was not within the minds of Rousseau, Franklin, or Jefferson, or of the leaders of the French Revolution, that the personal power over men's lives, to which they objected when it was exercised from the throne or the castle or the altar, might also come to be exercised in the factory or the mine. But the industrial revolution, which these early democrats did not foresee, brought to the possessors of wealth a huge accession of personal power, which they naturally felt as an increase in personal freedom. To the wage-earner, however, it seemed loss of freedom; and when at last he learnt to use the device of the common rule, he saw his way to get back, by means of representative institutions, some of the power over his own life of which the industrial revolution had deprived his class. Thus it is the extension of representative self-government from the political to the industrial sphere, and from mere political to industrial and social relationships, which is the dominant feature of the opening of the twentieth century.

We are thus brought round, by our analysis of the different social movements of the past three-quarters of a century, to that which has latterly become the most clamorous of them all, namely socialism itself. For it is just the conscious and deliberate substitution, in industrial as well as in political matters, of the collective self-government of the community as a whole, organised on a democratic basis, for the individual control over other men's lives which the unrestrained private ownership of land and industrial capital inevitably involves, that constitutes the central idea of socialism. The socialist movement, now an intellectual and political force in every country of the civilised world, definitely asserts this as the intellectual master-key of nineteenth century history, and claims that the trend of the changes of the past hundred years, as of the contemporaneous changes in economic thought and political science, is in the direction of substituting for the personal power of the owners of land and industrial capital the collective decision of the nation as a whole. In accordance with the experience of the past, the socialist demands the application of representative democracy to all the industrial conditions of the worker's life. Whatever the historian

may think of the socialist movement—and no historian can pretend to be, on such a subject, without bias—he must, at least, admit its persistence, its force, and its ubiquity. It is possible to trace the parentage of the socialist idea, on the one hand to Rousseau, who was hardly conscious of its economic aspect, and on the other to Saint-Simon, who ignored its democratic features. Fichte put much the same idea into philosophy, and Robert Owen, confusedly, into his long-continued propaganda. But not until about 1832 does the name of socialism seem to have been used; and it was then applied most commonly to schemes of more or less communistic settlements, apart from the competitive world, such as those advocated by Robert Owen (1771–1858) and Abraham Combe (1785–1827), François-Marie-Charles Fourier (1772–1837) and Etienne Cabet (1788–1856); or else to schemes of state-aided production by associations of producers, such as Louis Blanc (1813–82) and Ferdinand Lassalle (1825–64) had in view in France and Germany, and such as the Christian Socialists of 1848 may have aspired to in England.

With the publication by Karl Marx (1818–83) in 1848 of the so-called “Communist Manifesto,” and its appeal to workers of all countries to unite, the modern movement of organised political socialism may be said to begin. From this time forward, socialism put aside the foundation of Utopias in the form of separate societies or colonies, apart from the competitive world, and definitely insisted on the reorganisation of the existing social and industrial order on the basis of democratic government. We cannot here describe the slowly developing political movement which has, since 1848, spread to all civilised countries; the foundation, in London (1864), of the International Society of Working Men, with its strange combination of Trade Unionists and revolutionaries; of its internal struggles with an “anarchist,” or ultra-individualist section under Michael Bakúnin (1814–76); or of its final disappearance, about 1873. Much more important in the story of the socialist movement is the retirement of Marx from other work in order to write his book on Capital, which was published in 1867, and which has furnished inspiration to the socialists of all countries. Not that this book, impressive in its argumentative and rhetorical power, describes any definite scheme of collectivism, which is rather assumed than advocated. But Marx read in the British Museum library the English blue-books, which had led up to the successive Factory Acts, and, on the horrors that they revealed, he constructed a dynamic description of the industrial revolution in England, which, put as the inevitable result of unrestrained private ownership of land and industrial capital, has reverberated round the world. We need not take seriously today the peculiar version of the law of value which Marx had learnt from David Ricardo on the one hand, and Thomas Hodgskin on the other; and which, as explaining the paradox of mere subsistence wages in the midst of ever

augmenting wealth-production, was used by Marx with such impressive effect. Formally, this theory of wages is incorrect; and it has gone overboard from the economic ship, along with the wages doctrines of M'Culloch and Ricardo themselves. But, substantially, Marx was, in his analysis of the wage system in modern industry, assuming it to be uncontrolled by Trade Unionism or factory legislation, as right as he was impressive; and it is this analysis, together with that of Friedrich Engels (1820-95), which has indirectly contributed to the widespread contemporary acceptance of Trade Unionism and factory legislation, and of the doctrines of the common rule and the national minimum that we have already described. In England, where the effective socialist movement dates only from 1881, it has been intellectually more influenced by that other derivative from Ricardo, the law of rent, with its corollary of the inevitable appropriation, by the owners of land, of the economic advantage of all but the worst land in use. This doctrine, handed on by John Stuart Mill (1806-73) who in his posthumous *Autobiography* classed himself "decidedly under the general designation of Socialist"—postulating as the necessary basis of the society of the future, "a common ownership in the raw material of the globe, and an equal participation of all in the benefits of combined labour"—was promulgated with great rhetorical power by Henry George (1839-97), who may be said to have thus unwittingly provided the motive force for the rise of an organised socialist party in the United Kingdom.

Translated into terms of practical legislation and administration, the socialist programme, in England as in all other countries, is more and more shaping itself into four several lines of social reform. We see, first, the progressive extension of collective ownership and administration, either national or local, of one form of industrial capital after another, typified by the ever widening government ownership of railways, canals, telegraphs, telephones, postal communications, forests, water power, town sites, and agricultural land; by the municipal ownership and administration of the supply of water, gas, and electricity, of tramways, ferries, and bridges, of sewage farms and water-catchment areas and agricultural settlements of one sort or another; by the provision of houses, baths and wash-houses, parks and open spaces, organised games and free concerts; and, in short, by all the infinite variety of developments which mark the thousands of urban communities of western Europe. We have next the progressive assertion of the paramount control of the community over such land and industrial capital as is still left in individual ownership, in the form of ever increasing regulations, embodied in Factory and Workshop Acts, Mines and Railways Regulation Acts, Merchant Shipping Acts, Truck Acts and Shop Hours Acts, and what not. These regulations—denounced in 1844 as "Jack Cade legislation," because they were held, in effect, to confiscate a portion of the value of the capitalist's

property—are now more and more consciously inspired by the idea of securing, at all hazards, a “national minimum” of education, sanitation, leisure, and subsistence to every citizen, whether he likes it or not. All these developments of collective action cost money; and this fact helps to make increasingly acceptable the third line of socialist progress, namely, that (as Jeremy Bentham long ago advised) the State should use its power of taxation in such a way as partially to redress the inequalities of income that private ownership of the means of production involves; and, in particular, that a steadily increasing proportion of the shares received, irrespective of personal participation in industry, as rent and interest, should be absorbed for the benefit of the national exchequer. Finally, we have the fourth line of the socialist advance, in the constant elaboration of the collective provision, for those unable to provide for themselves, of whatever may be regarded for the time being as the national minimum that the modern State undertakes to secure to every citizen. We need only mention the ever increasing collective expenditure on the infants and the children of school age, on the sick and infirm, on the blind, the deaf, and the crippled, on the mentally defective of all kinds, on the prematurely invalidated and the aged, on the widowed mothers of young children; and now even on the able-bodied man or woman unable, amid the complications and fluctuations of modern industry, to find wage-earning employment.

This fourfold path of collective administration of public services, collective regulation of private industry, collective taxation of unearned income, and collective provision for the dependent sections of the community—and not any excursion in Utopia or “cloud-cuckoo-land”—is the way in which the socialist really invites us to follow. Thus, much of what is claimed as the progress of socialism might be equally well described as a merely empirical development from the principles of Canning, Peel, Bentham, and Gladstone. In short, while it is common ground that much of the legislation of the past quarter of a century, and much of the economic and political writing of the time, in England as in other countries, has been greatly influenced in the directions that we have described, opinions will differ as to how far the world is likely to proceed along such lines; and also as to the extent to which the vociferous efforts of the organised and avowed socialists are a cause, or merely an effect, of the general movement of thought.

The change that has come over the civilised world in the various manifestations that we have described may be summed up in a phrase. What may be called an “atomic” view of human society has been replaced by a more “organic” conception. Three-quarters of a century ago the dominant social philosophy was that of *Laissez faire*. Though in England and some other countries arrangements were made to keep the starving from death, and to prevent actual brigandage and robbery by violence, what little collective action existed was undertaken grudging-

ingly, and by way only of exception. The community as a whole assumed no responsibility for the individual. The pressure upon his will produced by the free competitive struggle would, it was assumed, if only "let alone," result in the utmost possible development of human happiness and human faculty. The current ideal of the social order was that of a congeries of warring atoms, the free competition of which would, it was quite confidently assumed, unconsciously result in the best attainable social state. The unit, it was said, was the family group; by which was meant, in practice, the male head of the family, the wife and children being scarcely recognised by the law as human beings, with rights or interests independent of those of the dominant adult male. By the beginning of the twentieth century we find an altogether different conception of society. The unit is no longer the family group, but the individual human being, whether newly born infant, child, adolescent, adult woman, or male head of the household. And we no longer believe that "beneficent private war" necessarily secures public ends.

The first of these changes in thought, the substitution of the individual human being for the family group, as the unit of the State, has involved the legal protection of the child and the emancipation of the woman, both of them social movements of far-reaching significance which are still in progress. A century ago, in Europe and the United States, as in India and China, children were, in the eye of the law, at the almost unrestrained disposal of their parents, and wives of their husbands. Neither children nor wives could, without elaborate and costly special arrangements, own property, or dispose of their own persons, or invoke the protection of the criminal law as against the dominant male head of the family, for any tyranny, ill-treatment, or cruelty short of actual death, and scarcely even for that. Gradually there is being built up, in one country after another, a legal recognition of what we may call the right of the infant, the child, and the adolescent to maintenance and proper nurture; protection against neglect and cruelty; education; exemption from premature work in industry or agriculture; and even vocational training. It is, however, interesting to notice that this gradual building up of the "children's charter" has been accomplished not so much on the plea of humanity—for so strong was the reluctance to "break up the family" that England began to punish cruelty to animals before it punished the cruelty of parents to their children—as on the ground of the State's paramount interest in the lives and upbringing of its citizens. It has been, on the whole, the latter argument which has led to the successive Public Health and Factory Acts, the Mines and Shipping Acts, the Education Acts and the more recent provisions for feeding children found hungry at school and medically treating those in need—the whole series culminating in the Children Act of 1908, which attempts to secure to every child in the land, from the newly born infant to the adolescent, even against its own

father and mother, what may be termed a national minimum of proper upbringing. All the civilised nations of the world exhibit a similar evolution, in different degrees, and in their own way. As with factory legislation, so with the protection of children, some countries (notably some of the New England States and some of the Australasian colonies) have, in certain particulars, gone ahead of the United Kingdom. Others, such as Russia and Austria-Hungary, have as yet made few inroads on the paternal authority. All, however, may be said to have entered on the same course. "It is intolerable," old natives of India complain, "that the law Courts should treat women and children as if they were men."

The emancipation of women has, indeed, become already more general than the legal protection of children. This is entirely a movement of the nineteenth century. *The Vindication of the Rights of Women*, which Mary Wollstonecraft (1759-97) published in 1791, with its demand for equal rights and equal opportunities for all human beings, irrespective of sex, found no substantial support for half a century. The theoretical democrats of the French Revolution definitely excluded women, not only from the political franchise, but even from public meetings and political agitation. There were practically no opportunities for the education of girls beyond the most elementary stage. In the eye of the law the daughter was a household drudge, the wife a chattel. Even in the United States, in 1840, Harriet Martineau found only seven employments practically open to women, as alternatives to marrying for a living, namely, teaching, needlework, keeping boarders, working in cotton-mills, book-binding, typesetting, and household service. About the middle of the nineteenth century, various sporadic demands for greater freedom for women, in the United States and in Great Britain, arrested the attention of John Stuart Mill (1806-73), and led eventually to the publication of his *Subjection of Women*, a plea for complete equality of opportunity for both sexes. From this time onward, the movement went from success to success. Good schools for girls were founded in all the countries of western Europe, and in the United States. The University of Zurich led the way in 1867 in opening university education to women; and Paris followed shortly afterwards. The Universities of Sweden and Finland opened their lectures and their degrees to women in 1870; those of Denmark in 1875; and those of Italy in 1876. The University of London conceded degrees to women in 1878, and that of Dublin in 1879. The Universities of Norway followed in 1884; those of Spain and Roumania in 1888; those of Belgium and Greece in 1890, and those of Scotland in 1892. Meanwhile, as the Universities of Oxford and Cambridge, and those of the eastern part of the United States, failed to provide for women, women's colleges were started (Girton, 1872; Newnham, 1875; Somerville, 1879; Lady Margaret, 1879) in England, and both colleges and universities for women in the United States. In the more recent growth of state universities in western America, and of the

Universities of Manchester, Liverpool, Leeds, Sheffield, Birmingham, Wales and Bristol, women are admitted on practically the same conditions as men.

With the opening of higher education to women, there came naturally a demand for the opening of the brain-working professions. Elizabeth Blackwell got a legal qualification to practise medicine in New York in 1849. Various American States and the Netherlands were admitting women to practise medicine by 1870; England followed in 1876; and has already between five and six hundred female doctors at work; Russia and Belgium in 1890. Here and there, especially in the United States, women are acting as ministers of religion and in some branches of the legal profession. The right of married women to their own property and their own earnings was recognised in Great Britain by the Married Women's Property Acts of 1870 and 1882; and the legal systems of most civilised countries are now arriving in their own ways at approximately the same position. What may, perhaps, be deemed the last phase of this progressive evolution of women into complete social equality with men is that of the civic franchise. Women householders had long voted in the vestries, which administered the civil affairs of the English parishes; and, when local boards of health and town improvement commissioners were established in 1847 and 1848, this franchise was continued to them. It was conceded for English town council elections in 1869; for school boards in 1870; for Scotch town councils in 1881; for county councils throughout the United Kingdom in 1888 and 1889. Between 1861 and 1904, analogous local franchises were conceded to women in twenty-six States of the United States. In four States women possess the full state franchise (Wyoming, 1869; Colorado, 1893; Utah, 1895; and Idaho, 1896). In Australia and New Zealand, women were, between 1867 and 1908, successively admitted to all franchises. In Sweden, Norway, and in Finland, full rights have now been conceded; in the latter country, indeed, nineteen women were, in 1907, elected to the Finnish Diet.

This substitution of the individual human being, whether man or woman, infant or adult, for the family group, as the unit of the social order, has far-reaching consequences. But the disintegration of what we may call the eighteenth century form of *patria potestas*, has gone along not with a more lax, but with a closer, integration of the State. The community as a whole recognises that it has corporate ends, which it must pursue by corporate organisation. Its interests, which are not necessarily those of any individual member of it, loom large before us. We see no guarantee that perfect freedom of competition among individuals will not result in what no one of the competitors is aiming at, or has even in view. We are more and more disposed to believe that the community, which does not, with the aid of the best science of the time, consciously promote its corporate interests, will probably find

those corporate interests adversely affected. We can, therefore, no longer afford to "let things alone." The universal maintenance of a definite minimum of civilised life—recognised to be in the interest of the community no less than in that of the individual—becomes the joint responsibility of an indissoluble partnership, in which the State and the individual citizens, men, women, and children, have each their several parts to play. This does not mean that charitable doles and public assistance should be made a substitute for what the individual can effectively procure by his own exertions. Reasonable socialists and reasonable individualists alike recognise that the real test of any proposed change is whether or not it will result, in fact, in stimulating and developing the aggregate of individual faculty and individual responsibility which alone make up the strength and force of the community. This is the potent argument alike for the emancipation of women and for the enforcement of the national minimum. The issue between the parties is, indeed, as regards each successive reform, simply one of fact. What is clear is that, when the community accepts a corporate responsibility, the fulfilment of this responsibility by the device of the universal provision of the necessary common service by the municipality or the State has at any rate the advantage of leaving unimpaired the salutary inequality between the thrifty and the unthrifty, though on a higher level than before. As a matter of fact, the thrifty parent does not find that the universal provision of elementary schooling, and the establishment of a "scholarship ladder" to the University, at all diminish the advantage over his wasteful and extravagant neighbour, with which his thrift and abstinence have endowed him. On the contrary, the more the State and the municipality provide gratuitously for all, the higher are the advantages that prudence and economy open up to the exceptionally provident man.

Not without bearing on this result of collective action is the fact that, as has already been described, in the United Kingdom of the past three-quarters of a century, an increase of governmental action has been invariably accompanied, at a slightly later date, by an increase also in voluntary cooperation in the same sphere. We have seen how the steady development of "municipal collectivism" since 1835 has been accompanied by the growth of the cooperative movement since 1844. The early Factory and Mines Acts of 1802-42 were followed by the great extension of common rules secured by Trade Unionism since 1843. The expansion of the Poor Law into an extensive hospital and domiciliary provision for the sick, the infirm, and the aged, has been at least paralleled by the growth of Friendly Societies. We see here no sign that governmental collective action is inimical to voluntary cooperation in supplement and support of what is done by the State and by the law. It is, moreover, an inevitable complement of the corporate responsibility and the indissoluble partnership, which are the intellectual basis of the twentieth century State and twentieth century citizenship, that new and enlarged obligations, unknown in a *régime* of

Laisser faire, are placed upon the individual citizen, and enforced upon him by the community. The Bolton cotton-spinner of 1842 had no need to keep his children in health, or his house healthy; his wife could with absolute impunity let the babies die; the parents could put their offspring to work at the earliest age; the whole household was free, in fact, to live practically as it chose, even if it infected and demoralised the neighbourhood. Now, the Bolton cotton-spinner lives in a whole atmosphere of new obligations—such as the obligation to keep his family in health, and to send every child between five and thirteen daily to school, properly washed and dressed, and at an appointed hour; and the obligation not to infect his environment, and to submit when required to hospital treatment. While it becomes more and more imperative, in the public interest, to enforce the fulfilment of personal and parental and marital responsibility on every adult, it becomes more and more clear that no such responsibilities can be effectively enforced without at the same time ensuring to every adult the opportunity of fulfilling them. To enforce the fulfilment of these obligations on the negligent and the recalcitrant, the modern State has other expedients than the punishments of the criminal law. What happens is that the collective action of the community, by a series of deliberate experiments on volition, “weights the alternatives” that present themselves to the mind of the ordinary man. He retains as much freedom of choice as before, if not more than before. But he finds it made more easy, by the universal provision of schools, to get his children educated, and more disagreeable to neglect them. By the provision of public baths and cleansing stations, he finds it made more easy for him to keep his family free from vermin, and more disagreeable to let them remain neglected and dirty. By the public provision of hospitals and medical attendance, it is made more easy for parents to keep their dependents in health, and more disagreeable to let them die. The public organisation of the labour market by means of labour exchanges makes it easier for the man out of work to find employment, and enables the State (as the socialists and Trade Unionists are at one with the rest of the world in demanding) to make it more disagreeable for the “work-shy.” In every direction, the individual finds himself, in the growing elaboration of organisation of the twentieth century State, face to face with personal obligations unknown to his grandfather, which the development of collective action both enables and virtually compels him to fulfil. The claim is made—in the spirit of the teaching of Thomas Henry Green (1836–82), whose influence on English political thought deserves this recognition—that this new atmosphere of personal obligation results, paradoxically enough, in an actual increase, taking the population as a whole, in the enlargement of individual faculty, and in the opportunity for individual development. In short, in the growing collectivism of the past seventy-five years, law has been the mother of freedom.

APPENDIX.

I. BIBLIOGRAPHY.

IN vol. XII of the *Cambridge Modern History* (pp. 957-966) will be found lists of the principal books on Local Government in the United Kingdom, in the United States, and on the European Continent respectively; on Factory Legislation, Trade Unionism, Friendly Societies, and Governmental Insurance in all countries; on Co-operation in the United Kingdom, France, Germany, Belgium, Switzerland, Italy, and other countries respectively; and on the Emancipation of Women. A convenient, selected list of books, covering all branches of social progress, will be found in *What to Read on Social and Economic Subjects* (P. S. King and Son, 1910, price 1s.). The latest information, with supplementary lists of books on the several subjects, is contained in *The Labour Year Book* for 1916, published by the Labour Party, 1 Victoria Street, London (704 pp., 1s. paper, or 2s. 6d. cloth; postage 4d. extra). Additional references are given in the following notes. All the books still in print can be obtained from the Fabian Bookshop, 25 Tothill Street, Westminster, which will answer enquiries as to what works are obtainable on any subject.

II. NOTES.

Page 13. The extent and variety of governmental provision of services and commodities all over the world (including both central and local government), together with an analysis of its shortcomings and its potentialities, may be studied in the *Report on State and Municipal Enterprise* (32 pp., 1915), by the Fabian Research Department (published as a Supplement to *The New Statesman*, price 1s.). The statements in the text fall short of the facts as to the amount, variety, and ubiquitousness of this assumption by government of the function of producing and distributing commodities and services.

Pages 14-16. See *Grants in Aid*, by Sidney Webb (Longman, 1911, price 5s.); and *National and Local Finance*, by J. W. Grice, 1910.

Pages 17-22. The Co-operative movement grows with such continuous rapidity that any description of its magnitude and variety promptly becomes an understatement so "out of date" as to seem obsolete to the initiated. But practically no member of "the governing class"—probably no London banker or politician—realises the magnitude of the Movement. Indeed, the printer and proof-reader of this chapter simply could not believe that a society of working men carried on its business in ten different "countries," and persisted in substituting "counties" (as it stands in the text). The Fabian Research Department made the whole Movement the subject of two elaborate Reports in 1914, one analysing the extent of the success of the Association of Consumers in all parts of the world, the portions of the field which it had failed to cover, its shortcomings and defects, and its probable potentialities and limits; the other dealing similarly with the rival basis of Association of Producers (together with Profit-sharing),

which has an equally universal record of disappointment—omitting, however, the important section of Agriculture. (See *The Co-operative Movement*, price 1s.; and on *Co-operative Production and Profit Sharing*, price 2s. 6d., issued as Supplements to *The New Statesman*). As an indication of the rate of increase, it may be stated that the capital administered by the largest body, the Co-operative Wholesale Society, on 31st December, 1915, was £10,782,418. Its sales of goods during the year amounted to no less than £43,101,747; whilst the number of its employees was over 27,000—we may say, doubling itself each decade! The extraordinary record of this, the largest trading unit in the world, so far as household supplies are concerned, is now given in its "Jubilee Volume," *The Story of the C.W.S.*, by Percy Redfern (Co-operative Wholesale Society, Manchester, 1913), which describes in detail its history from its foundation in 1863. This book, which with characteristic independence, the C.W.S. chose to publish itself, under a title enigmatical to the uninitiated, remains almost as unknown to economic students as to those who think themselves educated. It ought to be in every College library, indeed in every public library of any kind.

Pages 26-28. Full particulars as to the present position of Trade Unionism in the United Kingdom should be sought in *The Labour Year Book* for 1916 (already cited). Apart from *The History of Trade Unionism* (first published in 1894), and *Industrial Democracy* (first published in 1897), both by Sidney and Beatrice Webb (Longman, 7s. 6d. and 12s. net), the student may be referred to *The World of Labour*, by G. D. H. Cole (Bell, 1915, price 2s.); and *Trade Unionism*, by C. M. Lloyd (Black, 1915, price 2s. 6d.), as the most recent descriptions of the Movement.

The important part played by women in industry always tends to be insufficiently considered. To this day treatises on Political Economy continue to appear, in which women are either not mentioned at all, or mentioned only in a perfunctory way. Yet out of twenty million persons recorded as "gainfully employed" in the United Kingdom Census of 1911, nearly six millions were of the female sex; and the proportion has since steadily increased. The vast majority of English women are industrially employed at wages during some part of their lives. And women wage-earners present social and economic problems differing from those of men. These problems are scarcely less important in the United States, France, Germany, and Australia. For more adequate treatment of this part of the Labour Question, the student is referred to the section on "Women in Industry" (pp. 257-279) in *The Labour Year Book* for 1916; the valuable publications of the Women's Industrial Council; *The War, Women and Unemployment* (price 2d.) and *Women Workers and their Dependants* (price 1s.), both by the Fabian Women's Group; and *Conflicting Ideals* (of women's employment), by Miss B. L. Hutchins.

Page 31. The need for making collective provision for those who would otherwise be crushed in the competitive struggle, and the gradual discovery of how to make this provision both effective and morally harmless, are described in *The Prevention of Destitution*, by Sidney and Beatrice Webb (Longman, 1911, price 6s. net); and analysed in the remarkable book called *Misery and its Causes*, by E. T. Devine (New York).

Page 34. It is at this point that the chapter will be found, in 1916, most wanting. The writer could not, in 1909, foresee how quickly the "stream of tendencies" would hurry our statesmen along! In 1911 the National Insurance Act enormously increased the amount and extended the range of the collective provision

for the contingencies of working-class life. By an ingenious incorporation, within a Governmental scheme copied closely from the German model, of the whole network of autonomous Friendly Societies and Trade Unions, Mr. Lloyd George brought into compulsory insurance for sickness, maternity, and invalidity practically the whole body of people in wage-earning employment; and into compulsory insurance for unemployment all the workers in half a dozen great industries in which unemployment was most prevalent, comprising one-fifth of the whole. The fullest information as to the organisation and working of this great scheme, which involves the collective raising and spending of something like £25,000,000 a year—it must be said, an extremely critical analysis, revealing the shortcomings and defects of the scheme—is given in the Report of the Fabian Research Department, entitled *The Working of the Insurance Act* (32 pp., 1914, price 1s.; published as a Supplement to *The New Statesman*).

The whole provision for the human non-effectives that every society must, by the very nature of its being, always contain, has, in recent years, acquired a new name. *Social Insurance*, by I. M. Rubinow (Holt, New York, 1913)—perhaps the only book describing exactly what each country throughout the world is doing for each of the contingencies to which the wage-earner's life is exposed—affords an instructive survey of the range of a subject destined more and more to form the centre of domestic politics in every civilised country. *The Labour Year Book* for 1916 contains (in Part VIII, Social Insurance, pp. 642-688) a detailed accurate analysis of the provision made in the United Kingdom, with a description of what remains to be done, respectively, for Accidents, Maternity, Sickness, Tuberculosis, Invalidity, Unemployment, Old Age, Loss by Fire, and the financial consequences of Death. Even this comprehensive survey fails to include the needs of Infancy, Childhood, and Youth, for which also social provision is imperative.

The text deals insufficiently with the provision made by the wage-earners for Death. Apart from the Funeral Benefit of the Friendly Societies and Trade Unions, the principal form taken by this provision is what is termed Industrial Insurance. This has now become a colossal business, not only in the United Kingdom, where it began about 1854, but also in the United States, Australia, South Africa, Germany, and Scandinavia, whilst it is just beginning in India. In the United Kingdom eighteen million pounds a year are paid by the wage-earners for this "Death Benefit"—more than is paid in Germany or in this country for all the varied benefits of the State Social Insurance schemes. But two-fifths of this enormous sum is spent in collection and management, whilst seven out of every eight policies lapse without becoming claims. Though nearly eight million pounds are annually paid in claims, surrenders, and bonuses the "insurance money" rarely does more than pay the funeral expenses. The system is of little avail as provision for the survivors. (The only full analysis of this system of Industrial Insurance is that contained in the Report of the Fabian Research Department on the subject—32 pp., price 1s.—which was published in 1915 as a Supplement to *The New Statesman*.)

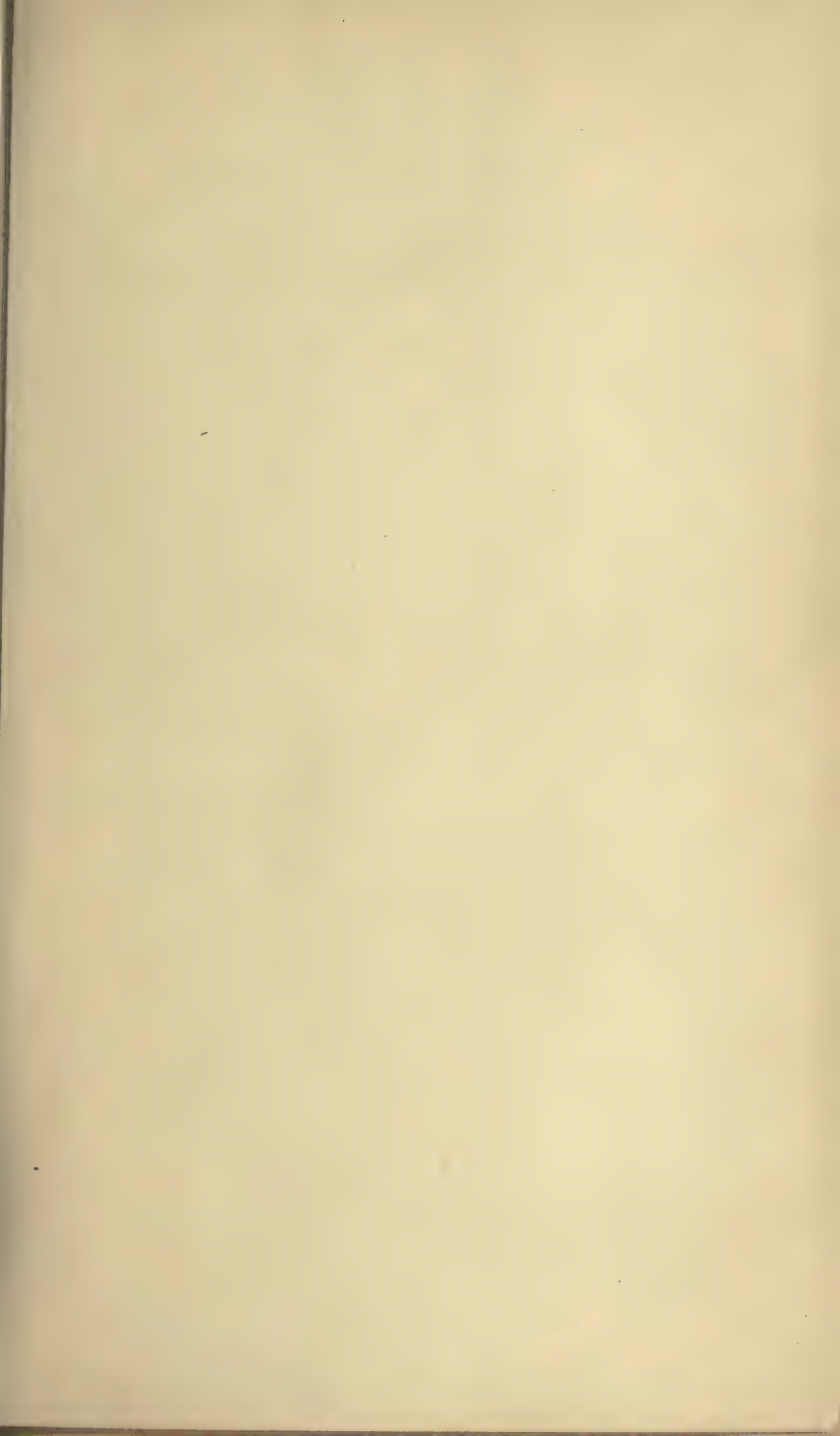
In many of the United States, and in Denmark, provision is now made for "Mothers' Pensions" from State funds, to enable widows with children to keep the home together. In Germany, pensions for orphans were added to the State Insurance system in 1913. State Pensions for widows will undoubtedly be adopted elsewhere.

Pages 36-39. Upon Socialism, the enquirer is referred to *Soicalism: a Critical Analysis*, by O. D. Skelton (Constable, 1911, 6s. net), as a fair and able review by a

non-Socialist. For the spirit of the Movement in this country, consult *Fabian Essays in Socialism* (1s.), and the other publications of the Fabian Society (see advt. at end of this book); and the full bibliographical list in *What to Read on Social and Economic Subjects* (P. S. King and Son, 1910, 1s.).

Page 42. The Emancipation of Women progresses at a rate that makes the statements in the text seem old-fashioned. Women's Suffrage, which started in Wyoming in 1869, but spread no further for nearly a quarter of a century, was adopted by New Zealand and South Australia in 1893, by Utah in 1895, by Idaho in 1896, and by West Australia in 1899. New South Wales followed suit in 1902, Tasmania in 1903, Queensland in 1905, Finland in 1907, Norway (partially) in 1908, Victoria in 1909, Washington in 1910, and California in 1911. In 1912 these were followed by Kansas and Arizona; in 1913 by Illinois and Alaska—also by Norway making its suffrage complete; in 1914 by Montana and Nevada; and in 1915 by Denmark, Iceland, and Manitoba. Twenty-five years ago women voted only in Wyoming. Now they vote, as a matter of course, in thirteen American, one Canadian, seven Australasian, and four European States. By 1919, when the Wyoming women will celebrate their Suffrage Jubilee, by how many will not this roll of States have been increased?

In several of these States, alike in Europe, Australia, and America, women have been made eligible also for election to the Legislature; and women have been elected, and have sat, not only in Finland, as stated in the text, but also in Norway and in Utah, among other places.



(2)

LABOUR PROBLEMS AFTER THE WAR



THE LABOUR PARTY
1, Victoria Street, S.W., 1

1917

Labour Problems after the War

THE resolutions set out in the following pages were carried unanimously at the Annual Conference of the Labour Party held at the Albert Hall, Manchester, in January, 1917. They form a comprehensive policy on after-war Problems, and are circulated in this form for the interest of the Labour Movement, the Press, and the general public. Further copies may be obtained upon application at the rate of 9d. per dozen; 5/6 per 100; post free.

CONTENTS

	PAGE
Demobilisation	4
The Machinery for Securing Employment ...	5
The Restoration of Trade Union Conditions...	6
The Prevention of Unemployment	7
The Maintenance of the Standard of Life ...	8
The Legal Minimum Wage	8
The Nationalisation of Railways	9
The Nationalisation of Mines	9
Agriculture	10
Taxation	11 & 12
Franchise	12
The Position of Women after the War ...	13
Education and Child Welfare	14 & 15

DEMOBILISATION.

(i.) That when peace comes the demobilisation and discharge of the seven or eight million wage-earners now paid from public funds, either for service with the Colours or on munition work and other war trades, will bring to the whole wage-earning class grave peril of Unemployment, Reduction of Wages, and a lasting Degradation of the Standard of Life, which can be prevented only by deliberate National Organisation ;

(ii.) That this Conference accordingly calls upon the Government to formulate its plan, and make in advance all arrangements necessary for coping with so unparalleled a dislocation of industry ;

(iii.) That regard should be had, in stopping Government orders, reducing the staff of the National Factories, and demobilising the Army to the state of the Labour Market in particular industries and in different districts, so as both to supply the kinds of labour most urgently required for the revival of peace production, and to prevent any congestion of Unemployed ;

(iv.) That it is imperative that suitable provision against being turned suddenly adrift without resources should be made not only for the soldiers, but also for the three million operatives in munition work and other war trades, who will be discharged before most of the Army can be disbanded ;

(v.) That the Conference, noting the month's furlough, gratuity, free railway ticket, and a year's Unemployment Benefit if out of work already promised to the soldier, urges that (a) there should be no gap between the cessation of his pay and separation allowance and the beginning of his Unemployment Benefit, and (b) that this special ex-soldier's Unemployment Benefit given to all should be additional to any Benefit under the National Insurance Act, to which many men are already entitled in respect of contributions deducted from their wages ; and

(vi.) That any Government which allows the discharged soldier to fall into the clutches of the Poor Law should be instantly driven from office by an outburst of popular indignation.

THE MACHINERY FOR SECURING EMPLOYMENT.

(i.) That the Conference emphatically protests against the work of re-settling the disbanded soldiers and discharged munition workers into new situations—which is a national obligation—being deemed a matter for charity; and against this public duty being handed over either to committees of philanthropists or benevolent societies, or to any of the military or recruiting authorities;

(ii.) That in view of the fact that the best organisation for placing men in situations is a national Trade Union having local Branches throughout the Kingdom, every soldier should be allowed, if he chooses, to have a duplicate of his industrial discharge notice sent through, one month before the date fixed for his discharge, to the Secretary of the Trade Union to which he belongs or wishes to belong;

(iii.) That, apart from this use of the Trade Union, it is necessary to make use of some such public machinery as that of the Employment Exchanges, but that before the existing Exchanges (which would need to be greatly extended) can receive the co-operation and support of the organised Labour Movement, without which their operations can never be fully successful, it is imperative that they should be drastically reformed on the lines laid down in the Demobilisation Report of the Labour after the War Committee, and, in particular, that each Exchange should be placed under the supervision and control of a Joint Committee of Employers and Trade Unionists, in equal numbers.

(iv.) That no Trade Union shall be brought within Part II. of the National Insurance Act, whether administered by the Employment Exchanges or otherwise, unless it has been first consulted, and agrees to its inclusion therein.

THE RESTORATION OF TRADE UNION CONDITIONS.

(i) That this Conference reminds the Government that it is pledged unreservedly and unconditionally, and the nation with it, in the most solemn manner, to the Restoration after the War of all the rules, conditions and customs that prevailed in the workshops before the War; and to the abrogation, when peace comes, of all the changes introduced not only in the National Factories and the 4,500 Controlled Establishments, but also in the large number of others to which provisions of the Munitions Acts have been applied:

(ii.) That the Conference places on record its confident expectation and desire that if any employers should be so unscrupulous as to hesitate to fulfil this pledge, the Government will see to it that, in no industry and in no district, is any quibbling evasion permitted of an obligation in which the whole Labour Movement has an interest.

(iii.) In view of the unsatisfactory character of the provisions in the Munitions Act dealing with the restoration of Trade Union customs after the war, the Conference calls upon the Government to provide adequate statutory machinery for restoration:

“(a) By securing that all provisions in the Acts necessary to enforce restoration shall continue in operation for a full year after the restrictive provisions abrogating Trade Union rules (Section 4 (3), and giving Munitions Tribunals disciplinary powers over workmen (Section 7) have been terminated.

✓ “(b) By removing all restrictions upon the right of the workmen to strike for the restoration of the customs which have been abrogated.

✓ “(c) By limiting Compulsory Arbitration strictly to the War period and providing fully that the right to prosecute an employer for a failure to restore Trade Union customs shall continue for a full year after the termination of the restrictive powers in the Acts.

“The Conference further calls upon Parliament to limit all restrictive legislation directed against workpeople strictly to the War period, and, subject to the above exceptions, calls for the abrogation of restrictive clauses in the Munitions of War Acts and in the Defence of the Realm Acts, immediately upon the conclusion of hostilities.”

THE PREVENTION OF UNEMPLOYMENT.

(i.) That in the opinion of this Conference it is the duty of the Government to adopt a policy of deliberately and systematically preventing the occurrence of Unemployment, instead of (as heretofore) letting Unemployment occur, and then seeking, vainly and expensively, to relieve the Unemployed;

(ii.) That the Government can, if it chooses, arrange the public works and the orders of National Departments and Local Authorities in such a way as to maintain the aggregate demand for labour in the whole Kingdom (including that of capitalist employers) approximately at a uniform level from year to year; and it is therefore the first duty of the Government to prevent any considerable or widespread fluctuations in the total numbers employed in times of good or bad trade.

(iii.) That in order to prepare for the possibility of there being extensive Unemployment, either in the course of demobilisation, and in the first years of peace, it is essential that the Government should make all necessary preparations for putting instantly in hand directly or through the Local Authorities, such urgently needed public works as (a) the rehousing of the population alike in rural districts, mining villages and town slums, to the extent, possibly, of 200 millions sterling; (b) the immediate making-good of the shortage of schools, training colleges, technical colleges, &c.; (c) new roads; (d) light railways; (e) the reorganisation of the canal system; (f) afforestation; (g) the reclamation of land; (h) the development and better equipment of our ports and harbours; (i) the opening up of access to land by small holdings and other practicable ways.

(iv.) That in order to relieve any pressure of an overstocked Labour Market, the opportunity should be taken (a) to raise the school-leaving age to 16; (b) to increase the number of bursaries for Secondary and Higher Education; and (c) to shorten the hours of labour of all young persons to enable them to attend technical and other classes in the day-time.

(v.) That wherever practicable the hours of labour should be reduced to not more than 48 per week, without reduction of the standard rates of wages; and that legislation should be introduced accordingly.

THE MAINTENANCE OF THE STANDARD OF LIFE.

(i.) That it is of supreme national importance that there should not be any Degradation of the Standard of Life of the population; and it is accordingly the duty of the Government to see to it that, when peace comes, the Standard Rates of Wages in all trades should, relatively to the the cost of living, be fully maintained.

(ii.) That it should be made clear to employers that any attempt to reduce the customary rates of wages when peace comes, or to take advantage of the dislocation of demobilisation to worsen the conditions of labour, will certainly lead to embittered industrial strife, which will be in the highest degree detrimental to the national interests; and the Government should therefore take steps to avert such a calamity;

(iii.) That the Government should not only, as the greatest employer of labour, set a good example in this respect, but should also seek to influence employers by proclaiming in advance that it will not attempt to lower the Standard Rates or conditions in public employment, by announcing that it will insist on the most rigorous observance of the Fair Wages Clause in public contracts, and by recommending every Local Authority to adopt the same policy.

THE LEGAL MINIMUM WAGE.

(i.) That the Coal Mines (Minimum Wage) Act should be maintained in force, and suitably amended so as to ensure greater uniformity of conditions among the several districts, and so as to make the District Minimum in all cases an effective reality;

(ii.) That in view of the fact that many millions of wage-earners, notably, women, carmen, agricultural labourers, and workmen in various occupations, are unable by combination to obtain wages adequate for decent maintenance in health, the Trade Boards Act should be amended and made to apply to all industrial employments in which the bulk of those employed obtain less than 30s. per week.

(iii.) That this minimum of not less than 30s. per week be a statutory minimum for all trades.

THE NATIONALISATION OF RAILWAYS.

(i.) That the Conference most emphatically protests against the Railways, which are under Government control, being handed back after the war to the control of the shareholders, whose only interest is that of extracting the largest possible dividend ;

(ii.) The Conference asks that the partial Nationalisation which has taken place should be completed and extended to those canals which are still outside railway control ; that the shareholders should be got rid of by taking over their present property at its fair market value ; and that the transformation of the railways and canals into a unified public service of transport and communication, administered solely in the public interest with arrangements for the participation in the managements, both local and central, of all grades of employees, should be one of the first tasks of the Government after the war.

THE NATIONALISATION OF MINES.

(i.) That in the opinion of this Conference the time has come when this country should no longer be dependent for its coal supply on a small number of capitalist colliery proprietors, coal-merchants and dealers, among whom there is an increasing tendency to combinations and price-arrangements, by which the consumer is made to pay a quite unnecessary price for coal ; and that the Government should at once take over all coal and other mines, work them as a national enterprise, and appropriate to the nation all rents and wayleaves ;

(ii.) That in organising the nation's coal supply on the basis of production for use instead of production for profit, due arrangements should be made for the participation in the management, both local and central, of the employees of all grades ;

(iii.) That the Government Coal Department might undertake the supply for export and shipping, the Local Authorities and all industrial consumers of any magnitude ; delivering the coal for domestic consumption to any railway station at a fixed price, as unalterable and as uniform as that of the postage stamp, for retailing and delivery at a fixed additional charge just covering cost.

AGRICULTURE.

(i.) That the present arrangements for the production and distribution of food in this country amount to nothing short of a national disgrace, and must be radically altered without delay;

(ii.) That it is imperative that the Government should promptly resume control of the nation's agricultural land, and organise its utilisation not for rent, not for game, not for the social amenity of a small social class, not even for obtaining the largest percentage on the capital employed, but solely with a view to the production of the largest possible proportion of the foodstuffs required by the population of these islands at a price not exceeding that for which they can be brought from other lands;

(iii.) That this can probably best be attained by a combination of (a) Government farms, administered on a large scale, with the utmost use of machinery; (b) Small Holdings made accessible to practical agriculturists; (c) Municipal enterprises in agriculture, in conjunction with municipal institutions of various kinds, milk depots, sewage works, etc.; (d) farms let to Co-operative Societies and other tenants, under covenants requiring the kind of cultivation desired;

(iv.) That under all systems the agricultural labourer must be secured a decent cottage, an allotment, and a Living Wage;

(v.) That the distribution of foodstuffs in the towns—from milk and meat to bread and vegetables—should be taken out of the hands of the present multiplicity of dealers and shopkeepers, and organised by Democratic Consumers, Co-operative Societies and the Local Authorities working in conjunction.

TAXATION.

(i.) That in view of the enormous debts contracted during the war and of the necessity to lighten national financial burdens in order to enable the country to compete successfully on the markets of the world so soon as peace comes, this Conference demands that an equitable system of conscription of accumulated wealth should be put into operation forthwith, believing that no system of income tax or excess profits duties will yield enough to free the country from oppressive debts, and that any attempt to tax food or the other necessities of life would be unjust and ruinous to the masses of the people ;

(ii.) That the only solution of the difficulties that have arisen is a system of taxation by which the necessary national income shall be derived mainly from direct taxation and imposts upon luxuries, and that the taxation upon unearned incomes should be substantially increased and graded so that on the higher scales it should be not less than 15s. in the pound ;

(iii.) That the whole system of land taxation should be revised so that effect should be given to the fact that the land of the nation, which has been defended by the lives and sufferings of its people, shall belong to the nation and be used for the nation's benefit.

(iv.) That as during the war the Government has had to come to the assistance of the banking institutions of the country, and that it has been found necessary to pay very high rates for the money raised, adding considerably to the annual burden resulting from the war, every effort should be made to nationalise the banking system of the country in order to free the community from private exploitation.

“That this Conference emphatically protests against the repeated attempts to bring Co-operative dividends within the scope of the Income Tax.”

"That this Conference, recognising that the huge national expenditure, caused by the War, has to be met by increased taxation, declares that those who claim the ownership of the land of the country should be required to make a special contribution towards its defence. It therefore calls upon the Government to impose a direct tax on land values in the next Budget, and to enable this to be done, to use the powers conferred by the Defence of the Realm Act to compel all owners of land to furnish an immediate declaration of the present value, extent, and character of all land in their possession.

"That this Conference affirms that such a tax, in addition to providing a large amount of revenue, would open up the land to the people, increase the production of home grown food, and thus materially reduce the prevailing high cost of living, tend to raise wages, and lessen the evil of unemployment which threatens on the close of the war."

FRANCHISE.

(i.) That this Conference declares that the war has made obsolete all our past system of enfranchisement and registration;

(ii.) That the only solution of the difficulties that have arisen is Adult Suffrage, including women;

(iii.) That registration should be so conducted that every properly qualified person should have the opportunity to vote at elections, and that this entails both a short period of qualification and continuous registration;

(iv.) That soldiers and munition workers should not only have the right of voting conferred upon them, but that arrangements should be made by which that right can be exercised, including the provision of facilities for all candidates to put their views fairly before these electors; and that as far as possible similar arrangements should be made for the convenience of seamen and other electors necessarily absent from their constituencies;

(v.) That redistribution of electorates should take place at once;

(vi.) That no election conducted on the present register, or before the above changes have been made, can return a Parliament which represents the nation.

THE POSITION OF WOMEN AFTER THE WAR.

"That in view of the great national services rendered by women during this time of war, and of the importance of maintaining a high level of wages for both men and women workers, this Conference urges :

- "(i) That work or maintenance at fair rates should be provided for all women displaced from their employment to make way for men returning from service with the forces or other national work.
- "(ii) That full inquiry should be made into trades and processes previously held to be unhealthy or in any way unsuitable for women, but now being carried on by them, with a view to making recommendations as to their further employment in such trades.
- "(iii) That all women employed in trades formerly closed to them should only continue to be so employed at Trade Union rates of wages.
- "(iv) That Trade Unions should accept women members in all trades in which they are employed."

Administrative.

"Such alterations of the Education Act of 1902 as shall secure full public responsibility for the maintenance and control of all grades of schools, colleges and universities.

"Abolition of all education fees.

"Raising of the school leaving age to 16, with increased number of maintenance grants, graded according to age and circumstances.

"Universal free compulsory secondary education.

"No partial or half time exemptions before fulfilment of regular secondary course, and not then unless agreed to by the school doctor.

"Education Authority to have equal jurisdiction over part time factory employment as over non-factory employment.

"Larger proportion of local education costs to be borne by National Treasury.

"Pensions for secondary teachers, as in case of elementary teachers in England.

Hygienic.

"Hygienic conditions in elementary schools to be brought up to minimum standard of best secondary schools.

"School Doctor to be certifying surgeon for half-timers and young persons in employment.

"Full scheme of free public medical service to expectant and nursing mothers and their children; in the case of the latter, to be continued up to school age and properly co-ordinated with the school medical service.

"Swimming baths, gymnasia, and the best known scheme of physical training for every child passing through the schools.

"A scheme of physical instruction for all young people from 16 to 20 years of age.

"Amendment of Provision of Meals Act, so as to provide meals out of public funds for all school children certified by the school doctor to be improperly or insufficiently nourished.

Educational.

“Higher scale of teachers’ salaries and higher minimum standard of equipment for teachers, with fuller provision of facilities for intending teachers, and more generous public help for all accepted candidates.

“Reduction of size of classes in elementary schools to that of secondary schools.

“Playing fields to be provided for elementary schools.

“All higher forms of education, Technical and University, to be co-ordinated under public control and entirely free to all pupils desirous of undertaking the course provided.

“Principle of open-air schools to be adopted for all schools at earliest possible moment. A great increase of the system of camp schools, vacation centres. Travel studies by sea and land.

“No specialisation until last year of secondary school course, when bias given in direction, Technical, Professional or Commercial, as part of a general education.”

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WHEN PEACE COMES—THE WAY OF INDUSTRIAL RECONSTRUCTION.*

I.—THE GREAT DISBANDMENT.

The difference between the Outbreak of War and the Outbreak of Peace is that we did not expect the former and we do expect the latter. War sent the whole nation scurrying round like scared rabbits trying to prevent dislocation from spelling unemployment and starvation. The Declaration of Peace will entail an even greater dislocation of industry and of wage-earning than did the Declaration of War. If we let it come upon us without adequate preparation, it will be much more difficult to deal with, and much more socially disastrous, than anything that we have yet had to face. It will create much more discontent and angry feeling, for thousands who would cheerfully die for their country in the stress of war will furiously resent going hungry in time of peace. But we can see the trouble coming, and we can, if we choose, prepare for it. Great will be the responsibility of the Cabinet if the nation presently discovers that proper preparation has not been made for what we can all see is a certainty.

When War Wages Cease.

To-day at least seven millions of our wage-earners (probably not far short of half the total wage-earning population) are engaged on "war work," either in the Army and Navy and their innumerable subsidiary services, or in the four thousand factories making munitions, or in the countless other establishments working on Government orders of every kind. These millions, together with their managers and officers, and the shareholders and other capitalists who are living on their labours, are being fed from the five million pounds per day that the Treasury is disbursing. From the very moment that peace is assured the Treasury will do its utmost to stop that expenditure, and to reduce it as rapidly as possible to the

* This tract is reproduced, with slight additions, from half-a-dozen articles in the "Daily News" (which appeared July 28, August 3, 12, 19, 26, and September 5, 1916), with permission of the proprietors. Many of the facts, figures, and proposals will be found more fully stated in "Great Britain After the War," by Sidney Webb and Arnold Freeman, price 1s. net (supplied by the Fabian Bookshop, 25, Tothill Street, Westminster).

few hundreds of thousands per day that will represent the future normal outlay on these services. This means, under the system on which we have chosen to conduct our industry, the stoppage of the earnings of nearly half our manual working population. No such economic convulsion has ever menaced the inhabitants of these islands. And we know that it is coming; we can foresee its approach, and we can, if we choose, take the action necessary to prevent it from resulting in distress and demoralisation and starvation. If our people have any political capacity—if those whom we have put in high places to rule over us have any “gumption” and any sense of public duty—let them show it now, or dire will be our fate. What is approaching in all the belligerent countries, so far as the mass of the people are concerned, is more like an Indian famine than like any ordinary depression of trade.

The War Office Promises.

So far as is known, the Government has come to practically no decision on the Problems of Demobilisation; and the preparation of the Great Peace Book, about which Mr. Asquith was talking about six months ago, has in September, 1916, resulted only in the secret appointment of a score of different committees, not all of which have yet got under way. We learn from Lord Newton's answers in the House of Lords in December, 1915, and from a stray reference or two elsewhere, that the War Office has come to certain provisional conclusions about the disbandment of the soldiers. The return of some three millions of men from all the various theatres of war, and their discharge from the Army, must necessarily be gradual; but it is to be proceeded with, under Treasury pressure, as promptly and rapidly as possible. Moreover, the mass of the men are enlisted only “for the duration of the war”; and they will nearly all eagerly claim an early discharge. The disbandment will be governed exclusively by military considerations, without reference to the position of the Labour Market. It must take place, so the War Office declares, by entire military units, irrespective of the needs of particular industries or the desires of individual men. The only concession that the War Office will make to those who are troubled about getting these millions of soldiers back into civil employment is to promise that a form shall be filled up for each man, stating his occupation, the town to which he intends to proceed, and whether he desires a place to be found for him. This form is to be forwarded through the War Office to the Labour Exchange of the town which the soldier has designated at least one month before he will be discharged. Every soldier will be given at the port of disembarkation a free railway ticket to any station in the United Kingdom; and he will be allowed a month's furlough, during which pay and separation allowance will be continued. He will be awarded a gratuity of an amount not yet fixed. (After the South African War the men received five or six pounds each.) And, as if with a magnificent gesture washing its hands of the whole problem,

the War Office promises to every discharged soldier, for a whole year after his discharge, that he shall be entitled, whatever his occupation, whenever he is out of work, to call at the Labour Exchange and receive Unemployment Benefit (for which, if he belongs to an insured trade, he has already been paying), to an amount not yet definitely fixed, but probably ten or twelve shillings per week.* It is believed that the Admiralty will not refuse to do the same for the couple of hundred thousand sailors whom it will dispense with.

Finding Situations.

Now this provision, which leaves the War Office astonished at its own munificence, and to which, it is feared, the Treasury had not then given its consent, is considerably in excess of any previously made. It does not, as will be explained later, go far to ensure the soldier civil employment. But, so far as merely disbanding an army goes, it is on the right lines. It is quite a good innovation to send forward the soldier's application for employment a whole month before he can possibly take up a job, although it may be doubted whether this will, in most cases, lead to any engagement in advance. In spite of the fact that the Board of Trade has hardly kept faith with the trade unions in the matter of Supervisory Committees of the Labour Exchanges—there are such committees, but they have been formed in secret, usually for impossible areas; they hardly ever meet; they are given next to nothing to do; and they are carefully prevented from knowing anything of the daily operations of the Labour Exchanges—it is absolutely necessary to entrust the Exchanges with the finding of situations. The Board of Trade ought promptly to make its Trade Union Advisory Committees into realities; to constitute them, as at present, to the extent of one-half of representative local trade unionists; to have a separate one for each town or county district; to let them meet regularly and control their own secretaries and agendas; and to enable them to see exactly how the Exchange is being run. After all, these committees are only advisory. They can do no harm. The timid secretiveness of the Board of Trade over this matter arouses a quite unwarranted suspicion and distrust of the really fine work that the 400 Exchanges are doing. They have at present accommodation and staff adequate to deal with fifteen or twenty thousand cases per day. The task thrown upon them by the receipt within a few months of these millions of applications for situations will be immense. It can be satisfactorily accomplished only if the Exchanges are adequately strengthened by the Treasury, generally utilised by employers, and trusted by the trade unions, and if their work is better understood by the

* It is to be noted that these are definite promises by the Government, which Lord Newton publicly announced on their behalf that he was authorised to make; and voluntary recruiting took place on this basis. It would therefore be a grave breach of faith if these pledges were in any detail departed from.

public. But, with all their shortcomings, the Labour Exchanges are far more efficient and far more trusted by the workmen than any philanthropic committees would be. There has been an influential backstairs movement going on to get the whole business of finding situations for the soldiers handed over to a series of charitable bodies, working on Charity Organisation Society lines. This, it is believed, is now scotched. In view of the fact that the important thing is not to get the ex-soldiers into employment *at any price*, but to do so without in any way lowering the Standard Rate, the intermeddling of the philanthropists would be simply disastrous. The only appropriate answer would be an immediate labour revolt.*

Soldiers and Savings Banks.

A very serious question—not, it is believed, yet answered—is how the War Office is going to pay these three millions of soldiers their gratuities. What the Army Pay Department wants to do is what it has done before—apparently merely because it is what it has done before—namely, pay each man his five to ten pounds in cash when he is given his railway ticket at Folkestone or Southampton or Plymouth! We hope that the strongest protest will be made against any such insensate endowment of the local publican. Why should the Government incur the unnecessary expense—no inconsiderable item—of paying over in cash three million separate sums of money to the aggregate amount of twenty millions sterling? It was all very well at the end of the eighteenth century wars, when there were but scant banking facilities, and these were not understood by the soldiers of the time. But to-day the Post Office stands ready with 25,000 branches, eager to do the business. The Postmaster-General would jump at the chance of opening three million special accounts in the Savings Bank. The War Office would supply a list of names and amounts, and would pay the twenty millions to the Postmaster-General in a single cheque. Each soldier would be told to call at the Labour Exchange of the place to which he was returning, and would there be handed—along with any news as to employment—his new Savings Bank book, showing the gratuity and balance of pay standing to his credit, withdrawable from the local post-office at his will. All that the Army Pay Department need do is to accompany the railway ticket with a one-pound note as “journey money.” All the rest ought, in the twentieth century, to be done through a bank (as it has long since been done for the officers). The saving in cost to the Treasury might be as much as 5 per cent. on the sum to be handled—a clear million sterling! The saving to the three million men themselves would be inestimably great.

* The schemes of the Social Welfare Association of London, though doubtless well-intentioned, are wholly inapplicable, because they show no comprehension of the supreme national importance of maintaining the Standard Rates of Wages. They actually take for granted that wages must be left to supply and demand!

What about the Munition Workers?

But all this relates only to half the problem of disbandment. The three or four million men, women, boys and girls now working on Government orders will also be summarily disbanded. For their immediate necessities the Government has, so far as is known, yet made no provision. Probably a quarter of a million of them are directly in the pay of the Minister of Munitions, the Admiralty, or the War Office in the hundred or more national factories already at work. Nearly three millions are working in the 4,000 odd controlled establishments, at rates of wages fixed or controlled by the Government, and they are legally forbidden to relinquish their employment in order to take up more permanent jobs, as some of them would wish to do. The Government, in fact, is as responsible for their discharge, when it comes, as for that of the soldiers. The Treasury will be just as insistent in its demands for immediate stoppage in the one case as in the other. Yet we can learn nothing of any decision as to their fate. What has just been done is—not to provide for their disbandment—but to start levying 2½d. per week upon their wages (the employer having to contribute a like sum), so as to bring them, in six months' time, into eligibility for Unemployment Benefit when they are out of work (but only so long as they remain in these "insured" trades), to the extent of seven shillings per week for a limited number of weeks. Even this limited provision is refused to the poorly paid workers for the Government in the food and confectionery trades; and the textile and the boot industries, with some others, have also been omitted at the request of the employers and the better-paid sections of the workers—to the loss of the badly paid youths and women and unskilled workers, who have not been consulted. This Unemployment Insurance is in itself a good thing, which might well be made universal, except where the trades make other adequate provision for themselves; but it is not provision for demobilisation. We hear nothing as yet of (1) securing these munition workers, like the soldiers, a gratuity on discharge, or a month's furlough, or even any prescribed notice of dismissal; or (2) providing free railway tickets (for which the Government would not have to pay any fares) to enable them to get back to their former homes, or some place where alternative employment can be found; or (3) ensuring that particulars of their needs as to new situations are supplied to the Labour Exchange one month before they are discharged. Why cannot these things be done by the Ministry of Munitions for the army of men and women which has worked for us in overalls just as well as by the War Office for the Army of about equal numbers which has worked for us in khaki?

The Need for National Organisation.

The machinery and the provision for the disbandment of the three or four million munition workers, no less than of the three or four million soldiers and sailors, are of vital importance, because of

their influence on all the Problems of Demobilisation. These seven million men and women have to be helped to sort themselves out afresh. They have to be got as quickly as possible into appropriate civil employment. The send-off is half the battle. It is very largely upon the organisation that we devise for discharging them from war service that will depend our success in getting them back to wealth-producing service without loss of time, loss of health, loss of character, and loss of temper. For it is upon a sea of troubles that we shall be discharging them. What will be the state of trade after the war, immediately or eventually, no economist dares to predict. What is certain is that the sea of employment will be "choppy"; that even if a large proportion manage to keep afloat in trade revival, the tides will leave many hundreds of thousands on the rocks; and that nothing but national foresight and national organisation on the largest scale will save us from calamitous and long-continued unemployment. This demands a separate section.

II.—THE PREVENTION OF UNEMPLOYMENT.

What the Government is presently going to do—it is as well to re-state the position clearly—is, as soon as possible after the Declaration of Peace, to bring to an end the war employment, and to stop the wages of nearly seven million men and women, equal to not far short of half the industrial wage-earning population of these islands. It is the most gigantic "turning off of hands" that the world has ever seen. And the Government will, of course, be right in this step. The sooner we can take our people off this "unproductive" war work, and get them back to wealth-production, the less will be the burden of debt that the nation has to shoulder. But the dismissal of these six or seven million wage-earners from the Army and the munition works—the sudden stoppage of the means of subsistence of possibly one-third of the families of the community—will be one of the most momentous economic decisions ever taken by a Government.

The Disbanded Millions.

Now, this is not an unnecessary warning. On no previous occasion, when similar but much smaller dislocations have been imminent, has the Government admitted any particular responsibility in the matter. The Treasury, it is believed, still clings to the old-fashioned economic doctrine that the "labour market" will in due course "absorb" those who are unemployed, and that it would be contrary to all financial precedent to admit any obligation to find situations for the disbanded millions. On this occasion, however, it will be the deliberate act of the Government that will produce the crisis. It will be a Cabinet decision that will summarily bring to an end the incomes of these millions of families. The nation ought to insist—I think the nation will insist—on the Government

taking as much trouble to prevent the occurrence of unemployment after the peace, as it is now being practically driven to take over the mere disbandment of the Army.

It is not as if there need be any lack of employment after the war. There will be work enough for a whole generation in repairing the ravages of war, and replacing the enormous mass of commodities that have been destroyed. We know that every one of the seven million wage-earners can produce at least the value of his or her subsistence; and, indeed, a great deal more, as is shown by the tribute of rent and interest that the mere landlords and capitalists actually derive from the industry of those who labour by hand or brain. But we know also that, if we "let things alone" the process of "absorption" by the labour market may take a long time; and that it will certainly mean a great amount of more or less prolonged unemployment, the slow starvation of men, women, and children, the lowering of the rates of wages, even of those fortunate enough to get employment; and the Degradation of the Standard of Life of a large proportion of the population. That is what happened after the Peace of 1815, because the Government of that time "let things alone." That is, quite certainly, what will happen after the coming peace until a different policy is adopted.

Trade After the War.

What will be the "State of Trade" in the first, the second, and the third year of peace? No one can predict with any confidence how things will go on the whole. We know, on the one hand, that there will be millions of men and women simultaneously running up and down seeking for new employment. We shall have looking for jobs the disbanded soldiers and sailors (together with 50,000, or it may be 100,000, partially disabled men); the displaced substitutes; many of the ousted women. There will be sudden slumps, too, not in "war trades" alone, but also in all the diverse industries that have been producing substitutes for the things that we could not get during the war—just as there will be local slumps in the present congested "munition towns" and at those ports (including London and Liverpool) to which traffic has been artificially diverted.

On the other hand, there will immediately be local trade expansions at the ports which have been largely closed to Continental traffic, and at other towns characterised by the reviving trades. The industries repairing war damage will become suddenly busy. The shipbuilding yards will go on working continuously at their fullest strength for the next few years at least. The world-scarcity of warm clothing will long keep the woollen and worsted industries occupied. The makers of marine-engines, of agricultural machinery, of automobiles, and of sewing-machines and many other engineering mechanics will be in demand. The devastated areas all over Europe will require iron rails, bridges, rolling stock, and every kind of railway equipment; they will need every builder's requisite

and all sorts of raw material; they will have to import coal, and, for a long time, food, for all of which their Governments will have to find the necessary purchasing power.

Thus, we shall have the strangest possible mixture of local booms and local slumps, with the most unforeseeable "repercussions" and "reverberations" at a distance; some trades suddenly reviving in more or less lasting spurts of activity, whilst others simultaneously go down into the dumps of depression; pressing demands for additional labour in some places for some purposes, whilst other places will have crowds of men and women who can find no situations. It is emphatically a case for national organisation.

The Prevention of Unemployment.

What, then, can the Government do? It can, if it chooses, prevent the occurrence of unemployment. It is emphatically not a case for merely relieving the unemployed. That is a poor business, always unsatisfactory in its working and its results, and unnecessarily very costly; but inevitable when the Government has failed in its duty of preventing unemployment. It is plainly better to prevent the occurrence of unemployment (as of cholera) than to let it occur and then relieve the sufferers. And though it is not pretended that every individual case of unemployment can be prevented—any more than we can prevent individual cases of cholera—it is now known that it is quite within the power of the Government, by nothing more recondite than using the huge orders of the various public authorities in such a way as to keep at a fairly uniform level the aggregate national demand for labour within the kingdom as a whole, actually to prevent any widespread or lasting involuntary unemployment in any part of it.

The first step in organising the Labour Market lies in systematising the disbandment. That is why it is so important (as already indicated) to provide in the same sort of way for the three or four million munition workers as for the three or four million soldiers—to secure them all pay or gratuity during a brief spell of leave, as well as adequate notice of their coming dismissal; to arrange for them all to be looked after at the Labour Exchange before their dismissal, so as to stay the aimless wandering in crowds after "will of the wisp" rumours of vacancies that will otherwise ensue; and to promote mobility by a free railway ticket (the Government being still in control of the railways). It is plainly imperative to strengthen the 400 Labour Exchanges, which are now staffed to deal, in the aggregate, only with fifteen or twenty thousand applicants per day, and which will certainly, in the first year of peace, have to grapple with soldiers and munition workers discharged in successive batches of hundreds of thousands within single weeks. A calamitous breakdown of the official machinery will only be averted by a timely addition to the staff and the premises, so considerable as probably to take away the breath of the Treasury!

But the Labour Exchange is dependent, at present, on the

goodwill and intelligence of employers, most of whom neglect to make known their labour requirements in advance of the vacancies, and many of whom still refrain from notifying them at all. It may not be practicable to make it compulsory on employers to use the Labour Exchange, though the provisions of the Merchant Shipping Act, obliging shipowners to complete all engagements of seamen through the Mercantile Marine offices (provisions found most successful in preventing unemployment among seamen) afford a useful precedent.* But would it not be possible for the Government to request the principal employers in the kingdom—notably, all the 4,000 “controlled establishments”; all the railway companies; all the dock, harbour, gas, water and electricity undertakings; all the firms seeking Government contracts in any industry; all the mines; all the factories and workshops to which the Factory Acts and the Trade Boards Acts apply; and all the firms with which the Board of Trade is in friendly communication over statistics, etc.—to agree, as an act of patriotism, in the colossal “general post” of workers that is about to take place, at least to notify all their labour requirements to the Labour Exchange?

Organise the Public Work.

The Labour Exchange, however, cannot find situations that do not exist; and we know that there is going to be a shortage, in particular trades and at particular places, of longer or shorter duration, until the revival of trade becomes sufficiently general to take off all the six or seven millions who will have to find jobs. Now, at this point trouble will arise. There are those who want to see the difficulty dealt with on what we may not unfairly call C.O.S. lines—the getting of particular men and women into places by philanthropic influence and personal favour; in short, by kindly jobbery. Against this idea every Trade Union will protest, and rightly protest. What will become of the Standard Rate if it is to be left to kindly charity to get people into work? The right course is quite otherwise. The number of situations can, if only the Government chooses, be made equal to the number of applicants for them. There should be no question of “making work for the unemployed.” There need be no unemployed. What is required is to maintain at a constant aggregate the total demand for labour, by systematically organising with this object the extensive orders that the local and central Government authorities will, during the ensuing five or ten years, certainly be giving. Let us note one or two of these inevitable developments.

* To make the use of the Labour Exchange as compulsory as is that of the Mercantile Marine Office does not mean, as is often supposed, that no worker will be permitted to get a situation otherwise than through the Labour Exchange; or that an employer may not take on any man he pleases. All that it would involve would be that the employer would be required to notify to the Labour Exchange how he had filled the vacant place.

Housing.

The nation will need to lay out a very large sum—possibly as much as a couple of hundred millions—in housing. The building of workmen's cottages and blocks of dwellings, very largely suspended as a builder's speculation since about 1905 because it could not be made to pay, and actually prohibited during the war, has left us with a ten years' shortage in town and country. We shall not get enough farm labourers unless we build a couple of hundred thousand new cottages.* We shall not be able to face the widespread rise in rents that will be made by the town landlords of weekly property, when the present Rent Restriction Act expires soon after the end of the war, unless the Local Authorities have actually increased by several hundreds of thousands the supply of dwellings in all the congested areas. We know, from the Census of 1911, how many hundreds of thousands of families were then living in an overcrowded condition. We know how many had only one room. We know how many had only two when the minimum requirements of decency were three or four. Great Britain needs, it may be thus calculated, at least five million additional rooms, in cottages or town tenements before the humblest third of its population can be said to be housed up to a bare minimum standard. But the Local Authorities cannot now build without a subsidy; and objectionable as a subsidy is, the Government has definitely adopted this policy. In Ireland, which has less than one-tenth of the population of Great Britain, it will be remembered that some 40,000 cottages—healthy, but unfortunately very ugly—have already been built wholly at the Government expense. This precedent is now to be partially followed for Great Britain. As long ago as November 24, 1914, the Chancellor of the Exchequer proclaimed, in a long and careful statement, how the Government would not only advance the necessary capital on the most favourable terms, but would also render it possible for Local Authorities to build without involving any charge on the rates *by making a free grant of a substantial percentage of the total cost*. Since that date nearly a dozen towns have received these free grants for housings (in addition to loans), to the amount of about 20 per cent. of the cost; and have thus been enabled to build without any charges on the rates.

What ought now to be done is for the Local Government Board to put pressure on all the Local Authorities, urban and rural, to secure sites and at once prepare plans for cottages, up to a possible total expenditure even of a couple of hundred million pounds, so as to enable as many as a million cottages, if need be, to be put in hand on the very morrow of the Declaration of Peace; and to be proceeded with in batches, quickly or slowly, according as the

* As to the rural shortage of cottages, see "The Rural Problem" (Constable, 1913), being the Report of the Fabian Society's Committee on Land Problems and Rural Development, edited by H. D. Harben.

Board of Trade reports unemployment to be setting in. Conditional on these preparations being now made by the Local Authority, the Government might renew its promise of free grants in aid of the capital cost so as to make the enterprise involve, with rents deemed "reasonable" in the locality, no charge on the rates. In no other way are we likely to get the workers decently housed. What is more urgent, in no other way can we avoid very serious disturbances when the Rent Restriction Act expires.

Schools.

There is no need to enlarge on the necessity for the same procedure of timely preparation and promise of grants (in this case, of loans and the ordinary maintenance grants), to enable every local education authority to put in hand, the very morning after peace is declared, the necessary making-good of two or three years' arrears of buildings, repairs, school furniture, books, etc.; and it is to be hoped, of the promised great new developments in education. To name only one item, the calamitous shortage of teachers ought to lead to the taking into the University and other training colleges immediately peace is secured of at least 20,000 young men and women with adequate Maintenance Scholarships. These educational developments will be further discussed on a subsequent page. For the moment we need note only the opportunity they offer for keeping the aggregate volume of wage-earning employment approximately level from year to year.

"Preparedness."

Nor need we do more than mention the very considerable orders that will necessarily be given by the War Office and Admiralty during the next few years in order that the nation may have in store, in case of any sudden need for reconstituting "Kitchener's Army," enough khaki uniforms, sailcloths, blankets, boots, belts, rifles, etc. These orders for equipment to be laid up in store should be given, not just as the War Office and Admiralty think fit, but at dates deliberately arranged, just when unemployment shows signs of occurring, with a view to prevent it.

Keep the Wage-total Even.

It is, in fact, easy to foresee that in every branch of the public service there will have to be, at any rate, within five years, the same bound forward. What is needful to prevent the occurrence of unemployment is only to put brains and forethought into the work. The Government should (1) authorise, here and now, these bounds forward, which it can be foreseen must occur, and get the plans ready; (2) deliberately control the time and rate of putting all this public work in hand (including the extensive orders of all the public departments and local authorities) in close correspondence with the amount of the contemporary labour demands of the private capitalists, and in such a way as to keep the total aggregate of weekly

wages paid in the kingdom approximately at a level.* There would then be—apart from individual cases and particular trades and localities in exceptional circumstances—no involuntary unemployment. It can be done, and done even by the present Board of Trade, if the Cabinet would consent. And this mere rearrangement and control of the public orders, it is now statistically demonstrated, would, by the endless reverberations that it would set up, automatically prevent any unemployment on a large scale, or for any long period.

But although the Government knows how to prevent unemployment, and thus save themselves all trouble about dealing with the unemployed, and although the officials realise exactly how it can be done, the Cabinet is not prepared yet to give the necessary orders. The Chancellor of the Exchequer does not want to be committed to finding all the capital that the local authorities would need, or to making the necessary increase in their grants in aid. There are still some Ministers who hope, after the war, actually to cut down the public services (such as Housing and Education), instead of expanding them as is required, because they wish to reduce the supertax! The general opinion of employers is against the Government taking steps to prevent the occurrence of unemployment—they honestly cannot bring themselves to believe that there will be any more men at their factory gates than will be convenient for their foremen! The result is that the Cabinet has, so far, come to no decision on the subject; and the President of the Local Government Board has merely asked the local authorities to tell him what works are likely to be put in hand.

Unless "Labour" wakes up, and insists on the proper steps being taken in time, this Government will do what every other Government so far has done, namely, let the unemployment occur (which it knows how to prevent); and then, in the most wasteful way, grant sums of money merely to relieve the unemployed!

Yet this time the importance of preventing unemployment is greater than ever; because, as Mr. Gosling said in his presidential address to the Trades Union Congress in September, 1916, this Prevention of Unemployment is actually the key to the very serious industrial problem with which the Government is confronted.

III.—THE INDUSTRIAL CONFLICT.

Reluctant though we may be to face the fact, there is the gravest danger that peace on the battlefield will be followed by tension between employers and employed at home—indeed, by spasmodic and possibly widespread industrial war. Employers are counting on being able to secure a heavy fall in wages, when several millions of men and women will be simultaneously seeking employment. But unless prices come down with a run, the conditions to meet

* One imperative need is for an Act enabling Local Authorities to secure sites for schools, housing schemes, etc., without the present interminable delays.

which war bonuses and war rises were granted *will not have changed*; and every Trade Union will fight its hardest against any reduction of rates, *which have nowhere risen in proportion to the cost of living*. Now freights are going to remain high, owing to the shortage in ships; and practically all raw materials owing to the renewed demand from Central Europe. All woollen clothing will be dear; and meat and milk may go to famine prices when Germany begins to replace its slaughtered herds, and the American Meat Combine once more gets hold of the refrigerating ships. (Why should not the Government retain its present control of these?) Rents are, to say the least of it, not likely to be lowered. All over the world the currency will long remain inflated; and this in itself causes high prices.

No More Cheap Bread.

Though bread may fall by a penny or two per loaf, it is not within human foresight likely to go back to the fourpence or fivepence per quarter of previous decades. We cannot hope to get rid of heavy taxation on tea and petroleum at least. We are accordingly in for years of dear living. Yet, unless very drastic action is taken by the Government to ensure that the aggregate number of situations is kept approximately equal to the aggregate number of applicants for them, employers will undoubtedly seek to beat down wages. The Majority Report of the recent Committee on Agricultural Employment almost openly relies on unemployment and distress in the towns to compel men to become farm labourers at the insufficient wages of the past. When the separation allowances cease, and the overtime earnings—when the school children and the grandfathers are no longer adding to the household incomes, and even the adult man goes on short time—any fall in wage-rates would seriously aggravate what may anyhow prove to be a socially disastrous Decline in the Standard of Life of the mass of the people.

Restoration of Trade Union Conditions.

But the tension will not be confined to the attempts that will be made to lower wages. The men in the engineering workshops have, at the instance of the Government, patriotically given up the regulations and customs—often originating in the shop and quite unconnected with any trade union—which they had built up in resistance to the employers' continual attempts, by "speeding up" and cutting piece-work rates, to lower the rate of payment for each unit of effort. They have (and not in the engineering industry only) submitted to autocratically determined piece-work rates without Collective Bargaining; they have yielded up their places to women and labourers, and allowed their skilled jobs to be subdivided and brought down to unskilled level; they have accepted the utmost possible acceleration of work without guarantees against the maximum output of piece-work intensity being presently con-

verted into task-work at virtually time-work earnings. The Government has sworn itself black in the face, and pledged its honour, and Parliament has endorsed the guarantee by express words in a statute, that all these new departures shall be unconditionally reversed and undone at the conclusion of the war.

Employers and Pledges.

The employers are laughing at the pledges, and openly saying that the restitution of the old conditions is physically impossible, even if it were desirable; and that, from the standpoint of maximising production and minimising expense, it is so undesirable that nothing will induce them to consent to it. Moreover, some of the leading "captains of industry" are going further. They make no secret of their intention to insist on complete control over their own factories; they will henceforth brook no interference with their decisions as to the machines to be used, the "hands" to be put to any kind of work, the speed to be maintained, the hours to be worked, the holidays to be allowed, and the piece-work rates to be given. They propose, so they declare, to treat the workmen fairly; but they intend to deal with each man or woman as they choose. This means, as they realise, a death-blow to trade unionism. They have made up their minds that, in competitive factory industry on a large scale, the only "scientific management" is autocracy.

It is doubtful whether the Government, if it decides simply to adhere to its plighted word, can enforce on the employers the *status quo ante*; especially as this might involve ousting many tens of thousands of women and labourers, and "scrapping" the machines constructed for them. What we are in danger of is the proposal of some specious alternative, privately suggested by the employers, to which some trade union leaders may be persuaded to agree, in despair of finding anything better, but which will not satisfy the members of the Amalgamated Society of Engineers—the representatives of the Government then retiring from the dispute, and quibbling over the exact terms of the Government pledge—and an era of local strikes, demarcation disputes, sullenness and anger: possibly the destruction of trade unionism in the engineering industry, and the revival of the objectionable tricks of restriction of output, and refusal to make the best of machines, which are the angry workman's reprisals when he feels himself baffled and cheated.

Canon Barnett's Suggestion.

What can be done to avert such a calamity? There comes to my mind a remark of one of the nation's wisest teachers, the late Canon Barnett, of Toynbee Hall, very shortly before his death. Admiration was being expressed of the late Sir Henry Campbell-Bannerman's successful audacity in the grant of Constitutional Government to a South Africa lately in rebellion. He had triumphed, it was said, not by any great political genius, but because of his simple

faith in "Liberal principles," and his honest determination to apply them. I well remember Canon Barnett turning suddenly round, and asking, "Cannot we apply Liberal principles to the Labour problem?"

Will the Government have the courage to declare that autocracy can no more be allowed in the factory or the mine than on the throne or in the castle? That after a century of Factory Acts, Mines Regulation Acts, and Minimum Wage Acts, the claim of the employer to "do what he likes with his own" has long been obsolete; and that the time has come, as the only means of averting social disaster, to *grant a Constitution* to the factory; and quite frankly to recognise and insist that the conditions of employment are not matters to be settled by the employer alone, any more than by the workmen alone, but in joint conference between them; and not even for each establishment alone, but subject to the National Common Rules arrived at for the whole industry by the organised employers and employed, in consultation with the representatives of the community as a whole? The principle of conjoint control is already embodied at various points in our industrial legislation—for instance, in the checkweighman and pithead baths clauses of the Mines Regulation Acts, in the Joint Boards fixing wages under the various Minimum Wage Acts, and, again, the other day, in the clause in the Act providing for welfare work. On the other side, the employers in each great industry may presently be organising themselves, as Mr. Ernest Benn suggests,* in a National Association for the better management of scientific research, representation in foreign countries, standardisation of production, and other parts of their business.

What is needed now is for the Government, supported by the House of Commons, very definitely and decidedly to negative the claim that employers are once more making to autocracy; to insist that any National Associations of Employers cannot be allowed to refuse a constitution to their employees; to set up the necessary machinery of workshop committees and national industrial committees, formed from the trade unions concerned; and to give the decisions of these committees (which would not, any more than do the Factory Acts, compel any employer to engage in business, or any workman to accept employment) as to the minimum conditions upon which the industry shall be carried on, all the backing of law, administration, and public opinion.

A Workers' Constitution.

Such a grant of a constitution to each industry would go far to allay the discontent that may presently flame up into anger. But the mere establishment of constitutional machinery to deal with difficult problems does not in itself find solutions for them. The employers are already at work with their plans for such a factory

* "Trade as a Science." By Ernest Benn. Jarrold. 2s. 6d.

reorganisation as shall give them the largest possible profits. What are the Trade Union proposals for factory reorganisation? It is imperative that the workmen, if they are not eventually to be "done" in the deal, should have thought out separately for each industry and prepared in detail their own solutions of such problems as the effect of piece-work on the standard rate, the rates to be fixed for labourers, women, and boys in relation to those for skilled men, the avoidance of disputes as to demarcation, the maintenance of the standard minimum per unit of effort, and so forth. We ought to hear that each Trade Union Executive and every local Trades Council has appointed its own committee to solve these difficult problems from its own standpoint.

What the workman wants is status and security and freedom, as well as better conditions of life. But, after all, one of the biggest immediate issues will be the amount of wages that his work will bring to him. Now on this issue five general principles stand out as of national even more than of individual importance, upon which the Government and the House of Commons and public opinion ought to insist, and for the enforcement of which in all industries every administrative device and social pressure ought to be employed:

1.—Prevention of Unemployment.

There must be (as already explained) an actual Prevention of Unemployment.

2.—Maintenance of Standard Rates.

There must, in the second place, be a very authoritative maintenance (and a very definite security for maintenance) of the existing standard rates. A degradation of the standard of life is the worst calamity that can happen to a nation.

3.—Security Against Cutting Piecework Rates.

There must be, in particular, wherever any form of piece-work remuneration is adopted, some effective means of protecting the scale of piece-work payments against the insidious degradation of the pay per unit of effort, whether by the progressive "cutting of rates," or by various forms of "speeding up," to which (as a whole century of experience has shown) unregulated individual piece-work is prone.

4.—No Limitation of Output, or Hindrance to Machinery or to New Classes of Workmen.

On the other hand, we cannot as a nation afford to permit, for this or any other purpose, anything in the nature of limitation of output, or restriction on the best possible use of machinery or new materials or processes, or hindrance to the employment of any individuals or classes for any work of which they are capable. We must simply find some other way of achieving the object.

5.—Universal Enforcement of the National Minimum.

Finally, we cannot as a nation afford to let any of our workers remain at wages, or under conditions, which do not allow of the maintenance of their strength and of a continued healthy family life. We must, perforce, start from existing conditions, inexcusably bad as in many cases they are; and only gradually build up whatever may be prescribed as the national minimum of subsistence, sanitation, education, and rest, below which no employer and no worker can, in the interests of the community as a whole, be permitted to descend. But build it up we must, at whatever cost of capitalists having to forgo some of their possible profits. It was Mr. Asquith himself who said that "every society is judged, and survives, according to the material and moral minima which it prescribes to its members." Huxley warned us a quarter of a century ago that "any social condition in which the development of wealth involves the misery, the physical weakness, and the degradation of the worker is absolutely and infallibly doomed to collapse." We all admit it in general terms. But how to apply these five principles in the prevention of the industrial conflict with which we are threatened must be left for another section.

IV.—THE TWO MAIN PUZZLES: WOMEN IN INDUSTRY AND "SCIENTIFIC MANAGEMENT."

We have seen that, whilst the grant of a constitution to the factory and the mine may be the only way to prevent the industrial conflict to which the autocracy of the employer will inevitably bring us, no constitutional machinery, however perfect, will in itself supply a solution of the problems of industrial organisation. We are warned by a whole century of experience that not even the most effective democratisation of control will prevent a disastrous lowering of the standard of life without the adoption of regulations, and especially of systems of remuneration, that will automatically counteract this constantly working tendency of competitive employment. Not even the fullest representation of the workers on joint committees will avail to prevent the recrudescence of such anti-social devices as Limitation of Output, Demarcation Disputes, and the exclusion of those "who have no right to the trade" on the part of workmen who, owing to the failure of their representatives to solve the problem, feel their accustomed livelihood slipping from them. The two main difficulties which the Government has to face in any reconstruction that will not only prevent industrial strife, but also, in the words of Mr. Asquith's new pledge, "secure a fairer distribution amongst all classes of the products of our industries," are the entrance into occupations hitherto monopolised by skilled craftsmen of women and other new workers, and the great extension of the piecework which is an element in what is known as "Scientific Management."

Now, it is not irrelevant to observe that the difficulty of solving both these problems will be enormously increased or diminished according as the Government fails or succeeds in preventing unemployment. If the influences now at work to dissuade the Government from undertaking the "very serious responsibility" of daring to touch "the labour market" should prevail; if the Cabinet should decide against such a deliberate organisation of the housing, school-building, road-making, and the mass of other public orders that must anyhow be given sooner or later as will keep the aggregate demand for wage-labour approximately level, and thus substantially *prevent unemployment*, then any satisfactory solution of the two main puzzles may well be impossible. The Prevention of Unemployment is, in a very exact sense, the key to the position. Against being thrown into a sea of unemployment all the trades will fight like tigers.

Six-and-a-Half Million Women Workers.

Let us take first the case of the women and other newcomers in the skilled trades. There are now probably six and a-half million women "gainfully occupied" in the United Kingdom, as compared with five and a-half millions five years ago. There are apparently nearly 300,000 more than just before the war in the principal industries; over 200,000 more in commercial establishments; over 9,000 on the railways, and 7,000 in other transport work; over 63,000 more directly in the national and municipal departments—altogether perhaps 650,000 who have come in during the war, but 100,000 of these have merely shifted from domestic service, etc. Thus the war has merely increased the total number of "gainfully occupied" women by as many in two years as they increased during the preceding four or five years of peace. But, besides this not very important quickening of the pace, there has been a new opening of gates. Women have been put to many kinds of work hitherto supposed to be within the capacity of men only; and they have done it, on the whole, successfully. In the same way many thousands of unskilled labourers have been put to new jobs, many of them hitherto reserved for skilled men; and they have rapidly become expert at these tasks. The women will not all wish to remain in industry when peace comes; but a large proportion—perhaps a majority—of them certainly will. None of the labourers promoted to skilled jobs will want to relinquish them. Yet the Government has definitely promised that they shall do so.

Keeping up the Standard Rate.

Whether or not we can get over this difficulty peaceably depends, it is necessary to repeat, on whether or not there are in the first year of peace thousands of men walking the streets unemployed. If the Government lets this happen (as it need not) the unemployed men will naturally not be satisfied with anything less than the fulfilment of the nation's solemn pledge, and the ousting of the women and

the newly introduced labourers from their avowedly temporary employment, the scrapping of the new machines, and the reversion in all respects to pre-war conditions, as the Government has guaranteed. This many employers will resist or evade, even to the extent of setting up new factories, and calamitous will be the resultant bitterness. On the other hand, if there is still work to be done, and no competent skilled men are unemployed, it would be difficult to argue, after the war as during the war, that the services of the women and of new classes of men should not be utilised. What the workmen would then mainly object to would be the chance—indeed, the certainty—of the women and the unskilled men being used as a means of undermining and reducing the Standard Rate. If the Government take steps (as it quite well can if it chooses) to make such a misuse of female or unskilled labour impossible, as well as to prevent unemployment, the Trade Unions might properly agree to release the Government from fulfilling its pledge. But not unless.

Women's Wages.

It comes, therefore (with unemployment prevented), to a question of the terms on which the new workers should be employed. Now, apart from exceptional cases, we cannot, unfortunately, usefully insist that women should be paid the same as men. To enact this would mean the exclusion of women from the majority of industrial employments, because the typical woman is worth less to the employer than the typical man. It is true that the employer finds her more "docile" and more "conscientious." But she is not usually available for night-work; she does not do so much overtime, and she often works shorter hours, which suit her better. She is, on an average, absent from ill-health more than a man. She is unable, on account of physical or other incapacity, to do certain services that are occasionally required. She is usually unwilling to remain long years at her work, or to undertake additional responsibility; and she is less eligible for promotion. Where both sexes are employed, additional expense is involved for superintendence, lavatory accommodation, "welfare work," etc. Thus, at equal time wages, men would nearly always oust women. Even at equal piecework rates, if the men and women really execute the same tasks, men would be usually preferred. Now we cannot ask the six million women to propose terms which would mean to many of them—perhaps to most of them—the loss of their situations. The women simply will not ask for wages equal to those of the men. What is required is—to use the words of that wonderful shilling's worth, the "Labour Year-Book"—"the fixing of a rate for men and women which shall be in equitable proportion to any less degree of physical endurance, skill, or responsibility exacted from the women, or to any additional strain thrown on the men, and which shall neither exclude women on the one side, nor blackleg men on the other." It

* Published by the Labour Party. Post free from the Fabian Bookshop, 25, Tothill Street, Westminster, for 1s. 5d. paper, or 2s. 11d. cloth.

is this delicate adjustment that the Government will have to make, perhaps by one of the devices suggested below (*prescribing minima only*, and securing by law the rigid enforcement of the minimum rates thus fixed). Only at this price can very serious trouble be averted. The same principle applies to the newly introduced unskilled men. It could equally be applied in solution of the difficulties presented by Demarcation Disputes, and by the admission of outsiders to a trade. If once the skilled craftsmen are secured against unemployment (as the Government can, if it chooses, secure them), their quarrel as to the employment of women, labourers, and men of other trades concerns only the Maintenance of the Standard Rate. This the Government can, if it chooses, also secure.

No less grave and no less complicated is the difficulty presented by the employers' insistence on what they call "scientific management." This American invention (as to which Hoxie's "Scientific Management and Labour" should be consulted †) aims at greatly increasing output. As to much of it that concerns the greater use of machinery, the provision of the very best appliances, the better organisation of the factory so as to avoid waste of time or discontinuity of work—all this amounting to a severe indictment of the knowledge and capacity of our own factory managers—we need say nothing here. Nor need we criticise the application of brains to find out how each job can be most efficiently done, least of all the discovery of the proper intervals of rest and change of motion so as to minimise fatigue. What is dangerous is the introduction (and this is an integral part of the scheme) of payment by the piece, without any guarantee for the maintenance of the standard rate. One of the changes under the Munitions Acts, which the Government has pledged itself to reverse, is a vast extension of piecework, in one or other form, to jobs formerly paid for by time rates.

Piecework.

What is the workmen's objection to piecework—an objection in which they are now upheld by all instructed economists? It is that, however liberal may be the piecework rates fixed at the outset, managers and foremen cannot refrain, and never do refrain, as is proved by a whole century of experience in all countries, from sooner or later "cutting" the rates, when the workmen have increased their output (and the intensity of their effort). This is, of course, a fraud on the workers, who have been tempted to substitute piecework intensity for timework intensity; and then eventually find themselves giving piecework effort for no more than their old timework earnings. Against this every workman revolts. The standard rate of pay per unit of effort is thus subtly lowered. The result is, if not a series of embittered strikes,

† Published by Appleton and Co., New York. To be got at the Fabian Bookshop, 25, Tothill Street, Westminster. See also "Great Britain After the War," by Sidney Webb and Arnold Freeman, price 1s. net (on sale at the same address).

sullen resistance to "speeding up," more or less concerted limitation of output, refusal to make the best of machines, "ca' canny" in all its forms—in short, the parlous state into which this ill-considered and, in fact, fraudulent action of the employers had brought some of our factories prior to the war.

Now, workmen do not really object to piecework as such—they usually prefer it, and more than half the Trade Unions, including some of the most powerful and most successful, actually insist on it. But what every instructed Trade Unionist fights against is a system under which the piecework rates (a) are autocratically fixed by the employer; or (b) are not settled by Collective Bargaining; and (c) do not embody some effective safeguard against a subsequent "cutting of rates," either for the same or similar jobs, or for all the work of the trade, contrary to the implied agreement to maintain the Standard Rate *per unit of effort*.

What has to be discovered and adapted to the special circumstances of each industry is some permanent and automatically acting brake on the successive lowering of the piecework rates—not in order to ensure that the individual workman shall take home undiminished earnings (comparatively a minor matter), but in order to maintain undiminished for all the workmen in years to come the Standard Rate per unit of effort. *The problem has been solved in some industries*; in fact, a whole wealth of experiment, hitherto usually ignored by employers and Trade Unionists in other industries, as by the economists, lies open to the inquirer.

Piecework Lists or Independent Rate-fixers.

The devices found successful in safeguarding the Standard Rate, whilst allowing piecework or "premium bonus" systems, seems, fundamentally, to fall into three classes. There is the collectively-bargained-for "List of Prices," unalterable by the employer, however much the workmen may earn. These piecework lists, of which hundreds are published by the Board of Trade,* are often (as in the cotton trade) of great complexity, and (as in the boot trade) successfully applied to jobs varying in minute details. Where the variations are incessant, almost every job differing from the last, the device of a salaried and disinterested Rate-Fixer, or couple of Rate-Fixers—in practice, usually the officials of the Trade Union and Employers' Association—has been found successful (as among the brassworkers and some of the coal-miners), "pricing" each new job on the agreed basis of a percentage above a standard time-rate. Where women are employed, there ought to be a pair of such Rate-Fixers, one of each sex. Failing such independent rate-fixing, an automatic brake on the employer's constant reductions was found, a quarter of a century ago, by some of the branches of the Amalgamated Society of Engineers (have they now forgotten it?) in the Guaranteed Time and a Quarter, a standing agreement with the

* The latest volume so published is Cd. 5366 of 1910, price 2/2.

employer that, "whatever the piecework rates, every workman in the shop should always be guaranteed a minimum earnings *each week* of 'Time and a Quarter.'" The importance of this rule lay, not in preventing all cutting of rates, for this it did not achieve, but in the fact that the employer found that it did not pay to "cut" the piecework rates or premium bonus times below such a minimum level, because in such case *he failed to evoke the piecework intensity that he desired*. The workman dropped back to timework speed whenever he found he was not making "Time and a Quarter" at least.

There may well be other devices equally effective. But, in one or other way it is vital to Industrial Reconstruction to make it impossible for the employer to use either the labour of women and unskilled men, or the substitution of piecework for timework, as a means of reducing the Standard Rate of remuneration, not merely per hour, but also per unit of effort. We must not only replace the autocracy of the employer by a constitution for the factory and for the trade, but also place in the hands of the representative Workshop Committee or Trade Board some device effective in preventing, whether by the employment of women or the use of piecework, any degradation of this Standard Rate.

V.—THE NON-ADULT.

The nation does not realise to what an extent its boys and girls are helping to win the war. Among the three million workers in controlled establishments and firms fed by war orders there are literally hundreds of thousands of "non-adults," from 13 upwards. The hundred or so National Factories already at work have on their wage-rolls boys and girls between 13 and 18 to the number of tens of thousands. At Woolwich Arsenal alone there is believed to be a larger working force of boys—I will not state the number of thousands—than in any other industrial establishment in the world. Less creditable to us as a nation is the fact that boys and girls of 13, 12, and even 11 years of age are being allowed to absent themselves from school, to the number, in the aggregate, of many tens of thousands, in order to earn a few shillings a week in industry or agriculture. We have, in the stress of war, called in even the children to help the State. How are we going to make it up to them?

The non-adults will bear their full share in the suffering that peace is destined to bring by industrial dislocation. The boys and girls now serving as inadequate substitutes for men will be discharged when men can be got; the swollen pay-rolls of the 4,000 munition factories will rapidly shrink, and the boys and girls will lose their present highly paid jobs; there will be a sudden besieging of the juvenile departments of the Labour Exchanges, which (unless the Treasury sanctions a gigantic expansion of staff and premises) will be unable to deal with the rush of applicants for places; and

whilst employers will be glad enough to pick up smart youths for new occupations at "improvers' " wages (if the Trade Union does not revolt against it), there will be at least as great a risk of unemployment—indeed, the same certainty of slumps in particular trades and in particular localities—for the non-adult as for the adult.

Unemployment Among Youths.

The sudden unemployment among youths in East and South-East London will be extensive and lasting. And the failure of the boy between 16 and 21 to get immediately into a new situation when he loses his job is nothing less than a national calamity. Unemployment is bad enough, cruel enough, demoralising enough in the grown man, but any prolonged unemployment for the average manual working youth in our great industrial centres is soul-destroying. Forty per cent. of all the crime in the kingdom, so the Chairman of the Prison Commission informs us, is perpetrated by youths between 16 and 21. It is literally the fact that 80 per cent. of all the inmates of our prisons are found, on investigation, to have gone to prison for the first time before they were 21. *In the vast majority of cases their first offence was committed whilst they were unemployed.* The inference is that, important as it is that the Government should take the necessary steps to prevent unemployment among the adults, it is still more important—nay, absolutely vital for national health—that the Government should take the necessary steps to prevent unemployment among the youths who will be discharged by the thousand when peace comes (how many thousands from the Government's own factories?).

But we cannot deal only with the particular non-adults who happen to have been engaged in "war work"—these cannot be saved from unemployment and destruction except by the means that will save equally the other workers of their own age. What the Government has to reconstruct, in order to solve this particular Problem of Demobilisation, is, in fact, our social machinery for dealing with the non-adult—what we call, for short, our educational system.

A System in Ruins.

It sounded an exaggeration when Sir James Yoxall declared in the House of Commons that "the elementary school system of this country is in ruins." But there is a sense in which this startling statement is quite true. It is not merely that the children are slipping out of school-attendance, that hundreds of school buildings have been taken for Army needs, and that the supply of teachers has been knocked on the head. What is even worse is the demoralisation of the Local Education Authorities, the "slipping up" of the machinery for securing attendance, and the sudden loss of faith in the validity of the structure which Whitehall has been painfully

building up. The nation is half-conscious of the ruin. Public opinion, as yet very little concerned about preventing unemployment, is already whole-hearted about improving our educational system. Nothing meets with more acquiescence (outside the households of Lord Midleton and Lord Cromer) than the boldest demands for educational reconstruction. The nation is prepared for an authoritative lead, and will eagerly adopt any reasonably plausible Government plan, if it is only large enough! And we have come to the point when, as Mr. Henderson emphasised in moving the vote for the Board of Education, we know that "it is a question of money, more money, and still more money." We are spending only eighteen millions of national and eleven millions of local funds on education of every kind—less than threepence per week per head! After the war the vote for the Board of Education will need to be trebled.

The Home Child.

What social provision do we need for the Non-Adult? Let us begin at the beginning. At present our Local Education Authorities are hampered because the material on which they have to work is largely spoilt when it is handed over to them. The physical wreckage among the children under school-age, due simply to social neglect, is appalling. The Local Government Board and the Board of Education are now making a good start with their schemes of maternity provision and infancy care, their "Baby Clinics" and Schools for Mothers. Up to twelve months old in most towns the Health Visitors more or less successfully look after the infants; and infantile mortality has already gone down by 30 per cent.! The unguarded tract is now between the ages of one and five. Only in one or two pioneer boroughs does the Local Health Authority at all systematically look after the children in these perilous years, in which the lives of tens of thousands of our future citizens are wrecked. The London Education Authority has distinguished itself by using the device of excluding the "under fives" to turn 50,000 of them out of the infant schools into the gutters. We need (i.) to make the maternity and infancy provision, now elaborately prescribed in the L.G.B. circulars, obligatory on all Local Health Authorities; (ii.) *to extend its scope right up to school age*; (iii.) to pay at least 80 per cent. of the whole cost by grant in aid in order to overcome municipal apathy.

The School Child.

So calamitous are the results of our social neglect of the Home Child that when it becomes a School Child 15 per cent. of all the millions we spend on its schooling are wasted. The Chief Medical Officer of the Board of Education tells us that a million of the children at school are in so bad a state as to be unable to

get any reasonable amount of benefit. So tragic a waste demands an immediate development of the School Feeding and School Medical Treatment services.

A determined Minister of Education with anything like a free hand from the Cabinet would put such pressure on the Local Education Authorities, by honours and rewards to those who did well, no less than by holding up to public opprobrium and by reducing the grant to those who lagged behind, that he might (a) make elementary schooling genuinely obligatory and universal, even in Ireland; (b) insist on having enough really qualified teachers at decent salaries; (c) compel such a reorganisation of schools and classrooms as had already been adopted in principle at London and Bradford to bring down the maximum class to not more than forty, and the average per teacher to fewer than thirty; (d) make the leaving age everywhere effectively 14; (e) secure by-laws limiting much more severely than at present the employment of children out of school-hours; (f) get everywhere an adequate provision of Maintenance Scholarships to enable not merely the budding geniuses but all bright children to continue their education; and (g) induce every local authority to complete its numerical quota of secondary schools and training colleges.

Our Anæmic New Universities.

What would do most to invigorate and vivify the feeble score of Universities, which is all that this nation at present affords (and most of the newer among these are anæmic from a shortage of students having both brains and enough to eat), would be the establishment at each of them of at least 100 national scholarships of the value of £150 a year, given in open competition to the ablest young people of each adjacent area proposing to follow one or other brain-working occupation. Such a system of national scholarships would cost only £300,000 a year—less than ninety minutes of the war!

This sounds like an extensive programme. But it is literally true that the whole of it needs no alteration of the law. It requires only a wisely imaginative use of the grant in aid; the tactful distribution of knighthoods to mayors, chairmen of education committees and local education officers who push their local authorities on in advance of the ruck; the incessant harrying of the laggards, with an organised campaign of persuasion of the obstructive local potentates; and the effective local publication of really stinging reports on the authorities that are most backward, with a demonstration of the injury done to the ratepayers in the shape of substantial reductions of the grant in aid. If the Minister of Education was as keen about getting his job done as the Minister of Munitions is, can anyone picture what a change there would be? What Parliament needs to do, besides at least doubling the present Education Votes, is to raise the school-leaving age, at any rate to 15.

Half-time for Adolescents.

Such education proposals are, however, the stalest of common-places. What will strike the ordinary citizen as revolutionary is the demand now made on all sides—by the practical teachers, by the Government health experts, by the economists, by Lord Haldane every time he speaks—for the rescue of the precious years of adolescence from enslavement in wage-earning. These years, from 14 to 21, must now be claimed for production in the highest sense—not, as at present, absorbed in the making of material things, but dedicated primarily to the building up and training of the man and woman. We cannot create healthy and productive citizens so long as we let our boys and girls be wholly swallowed up by industrial or agricultural wage-earning at 13, or 14, or even 15. Nor will our evening class system ever suffice, in which tired teachers try to teach youths exhausted by a factory day. There is universal agreement that, if we are to have an efficient or even a healthy community, we must rescue some of the youth's time from competitive industry. *We see now that there must be, in some form, half-time for adolescents.* Even employers are coming round to agree, provided that the measure is made universally applicable throughout the kingdom, so as to prevent any competitor from taking advantage of the backwardness of his own local authority. We must re-enact, in principle, the present half-time clauses of the Factory Acts—merely substituting new ages for those now in the Act—and prohibit employers from employing youths under 18 (or even under 21) for more than thirty hours per week; with possible alternative systems, allowing the devotion to training of whole months at a time, for agriculture, seamanship, etc.

The Halving of Boy Labour.

From the standpoint of Labour, this would mean, virtually, halving the number of boys in industry; and the consequent stoppage of the misuse of boy-labour for other than apprenticeship purposes. A period at which it is all-important to prevent unemployment, and especially unemployment among youths, is just the time for such a revolution. Its gradual introduction would in itself enable the Government absolutely to prevent all unemployment among young people. From the standpoint of education, the change would involve the preparation of the best possible curriculum for some millions of boys and girls at the most formative period; attending, according to the industry in which they were engaged, either alternate half-days or days, or alternate weeks, months, or seasons, for a duly organised mixture of physical and technical and intellectual training. This might be completed by whatever training in drill and the use of arms is deemed requisite. *Meanwhile there need be no interruption of industrial employment, wage-earning, or home*

life. The farmer's boy, the van boy, the errand boy, the newspaper boy, the "glue boy" of the carpenter's shop, the shipyard rivet boy—if these are really the best uses to which employers can put boys—might still unfortunately continue; but the nation would at least be doing its best, by their Half-time Training, to prevent them from graduating as hooligans and unemployed corner-boys into the gaol. We want, it need hardly be said, for all our bright boys and girls an abundance of Secondary Schools and Maintenance Scholarships. But more important than these is Half-time Continuation Schooling—physical, technical, and intellectual—up to at least 18 for those whom we now permit the employers to take wholly into their service at 14. And now is the time, just when the Government, as we may believe, is concerned to prevent the occurrence of unemployment, especially unemployment among youths, for the preparation of such a scheme of Half-time for Adolescents, to be put in force as soon as Peace is declared.

VI.—THE CONTROL OF CAPITAL.

Two unspoken anxieties haunt many of us. Shall we, amid all this destruction of wealth, have enough capital to maintain the nation's industrial pre-eminence? How can we, in face of our war losses and a staggering National Debt, afford to pay for the social readjustments required?

Now it may seem a paradox, but the economic student will at once realise its truth, that this war, like all wars, is carried on, substantially, out of national income, not out of national capital; and that there is every reason to believe that this country will come out of it with its industrial capital almost undiminished. The land is all there, with its buildings and improvements, happily exempt from any more devastation than a few bomb explosions. The machinery and plant of all kinds have actually been increased. There is no prospect of any shortage of raw materials or of food. Our herds of horned cattle are greater than ever before. We shall, it is true, have lost some of our merchant shipping. We shall have neglected many works of maintenance and repair, thus deteriorating our roads, railways, buildings, etc.; and some appreciable work will be needed to adapt our whole industrial machine once more to a peace production. But, taking all this into account, it is doubtful whether the lessening of material capital has yet been greater than the current increase. And if it be objected that "credit" will be lacking, or currency, or banking facilities, let it be noted, once for all, that all this is merely a question of organisation, which can be indefinitely increased up to any extent found genuinely useful by ordinary Government action.

What is happening is that those who can spare any part of their incomes, after paying the heavy taxes and the high prices, are lend-

ing these savings to the Government.* At the end of the war the Government will probably owe to various individuals 4,000 million pounds, involving a mortgage on our earnings, for the benefit of those who lent the money, of 200 millions a year. But the aggregate capital within the kingdom is not affected by these paper transactions.

The Proprietary Class.

But although the nation's capital will still be there, substantially undiminished, we have to take account of the fact that we have allowed nearly all of it—practically all but the thousand million pounds' worth or so that is administered by the national Government and the municipal authorities, together with the fifty or sixty million pounds' worth of the co-operative movement—to be counted in law as the personal riches of private individuals, nine-tenths of it belonging to a class of about a million families, or one-tenth of the community.† We are accordingly dependent on the proprietary class, which we have thus artificially created, for permission to use the land, the buildings, the railways, the shipping, the machinery, and the stocks by means of which the nation lives. Thus, although there is no reason to anticipate any deficiency in capital, the capital will not necessarily be available for the purposes for which the nation may deem it most urgently required. The owners may prefer to invest it, in its mobile form, in South America; or, for that matter, in Germany or Austria, which will be offering high rates of interest. Last century we were told to trust to the workings of the enlightened self-interest of the capitalist; to believe that where the highest rate of interest was offered for a loan (allowing for insurance against loss), there the capital was most urgently required in the public interest; that, consequently, extravagant Sultans and corrupt South American Republics, foreign armament firms, or enemy shipowners ought to be allowed to compete freely for capital with home needs; and that, as between home needs, the capitalist's preference for whisky distilleries and automobile factories over arable farming and cottage building proved that the nation did not really require the latter so much as the former.

We know now—even the economists—that this system of *laissez-faire* cannot be relied on to secure the devotion of the national capital to the national needs in anything like the proper order or the proper proportion. The capital may be there, but it will not necessarily flow where it is most urgently required—according to

* At the same time, those of us who own securities of Neutral States are exchanging these for British Government securities. These mortgages will henceforth be on the production of the United Kingdom, instead of on that of the Neutral States. This transfer of mortgages equally leaves unchanged the amount of capital in the United Kingdom.

† See Fabian Tracts, No. 8, "Capital and Land"; and No. 5, "Facts for Socialists," for the most authoritative statistics on this point.

any public estimate of requirement—*unless the Government takes care that it shall do so*. That is why we have had, during the war, a great deal of control of capital, and we see now that we ought to have had much more. *Can we afford to relinquish that control when peace comes?*

The Export of New Capital.

Take, for instance, overseas investments. At present the Treasury temporarily prohibits all public raising of capital for investment abroad, unless in exceptional cases. If, after the war, there is any doubt or difficulty about getting enough capital for (i.) the full restoration of all our home productive force; (ii.) the execution of the extensive programme of public works, national and municipal, which the Government is actually now beginning to consider, and which (let us not forget it) alone can enable the Government to prevent the occurrence of unemployment; and (iii.) all the "preparedness" that the nation deems necessary, in the way of storage of food and materials, against the chance of a future submarine blockade—then the question arises: Why allow the export of capital? Of course, there are advantages in leaving property-owners free; the capital exported goes away largely in the shape of machinery and other goods, and thus momentarily benefits particular home industries; the development of other countries through our capital is indirectly of some use to us at home; the interest on the foreign investments of our capitalists comes in commodities, and thus benefits our shipowners and import merchants; and it seems, at any rate, more profitable to the proprietary class. All this, as we have realised during the past two years, counts for very little against the public interest in having enough capital at home. There is a great deal to be said, at any rate as a temporary measure during the Great Reconstruction that the Government has to undertake, for an extension to *all new investments of British capital overseas*, public or private, of Mr. McKenna's additional income-tax on the foreign securities which the Treasury wishes to buy or to borrow. It is found quite easy to enforce such a tax by special assessment on the dividends or interest coming from the penalised source. Moreover, we ought all to be required to produce a complete list of all our investments. If any capitalist abstracts his capital from the work of national reconstruction, preferring to lend it to foreigners at higher rates of interest, let us not only stigmatised such action as unpatriotic, but also penalise it by an additional income-tax of 2s. in the £. At any rate, until such step is taken no Minister can pretend that shortage of capital stands in the way of any desirable measure of reconstruction.

Railways and Canals.

Particular forms of capital obviously need special measures of control. The railways, for instance, cannot be left as they are nor

yet be allowed to revert to private control. To buy out all the private interests at full Stock Exchange prices would cost little over 800 millions in Government Bonds; and would permit of the organisation of an entirely disinterested Public Service of Railway and Canal Transport, managed by the ablest technical experts, henceforth concerned only to serve the public and give proper treatment (including a share in control) to the employees; expending all the economies of amalgamation and improvement on better conditions of transport and of service; and yielding a fixed amount to the Treasury sufficient only to cover interest and sinking fund on the railway debt.*

Housing.

To put a stop to insanitary housing and (a far-reaching evil) indecent occupation, the nation probably needs, as has been suggested, the prompt building of a million new cottages and town tenements. This will not be done by the capitalists, who gave up this form of investment ten years ago for rubber planting and petrol production. It will be done only if the Government stirs up the local authorities, and *renews the offer already made*, not only of favourable loans, but also of free grants sufficient to enable the municipalities to build without charge on the rates. Possibly a couple of hundred millions will be required in this way, in loans or grants, as part of the Programme of Reconstruction.

Agricultural Land.

Consider, too, our agricultural land, which, as the Board of Agriculture has just told us (Cd—8305, price 4d.), produces per 100 acres of cultivated area less than half as much corn as the German land, one-fifth as much potatoes, less than two-thirds of the milk, *even slightly less meat*, and next to no sugar, of which Germany produces a great deal. It feeds, in short, only two-thirds as many people. Why? Fundamentally because the Germans have invested many millions in fertilisers and in arable cultivation. Our farmers have found it more profitable to themselves, though not to the nation, to invest little capital and to "let the grass grow." The result is our perilous dependence on the uninterrupted arrival at our ports of our food ships. Nor will any import duty on corn or guarantee of price secure the end. We shall not get our landlords and farmers to plough up their worst four million acres of grass without definite control—either by peremptory legal obligation on the private owners and farmers to cultivate; or by public ownership and leasing, under strict covenants to maintain the cultivation that the nation requires, or, finally, by State farms.

* See the fully worked out scheme in "How to Pay for the War," to be obtained from the Fabian Bookshop, 25, Tothill Street, Westminster, at 6s. net; or the reprint of the chapter, "A Public Service of Railway and Canal Transport," price 1s. net.

The Coal Supply.

Can we afford any longer to leave our coal mines in private hands? These 3,300 pits, belonging to 1,500 companies, are worth at the present inflated Stock Exchange prices perhaps 200 million pounds, or only six weeks' war; but they employ one-tenth of the community, and upon their uninterrupted working our very life depends. It would be well for every householder—certainly every Trade Union Branch—to learn how we could nationalise our coal production and municipalise our coal distribution; paying out every capitalist interest at full price and securing uniformly improved conditions for all the million colliers; and supply every family in the kingdom with all its coal for domestic use at a fixed and uniform National Price for Household Coal, no more liable to variation than the penny postage stamp, of one shilling per hundred-weight delivered to cellar.*

National Factories.

Before the war the Government had made itself dependent on the private capitalist ("the Armament Ring," etc.) for very nearly all the supplies that it needed—the output of Woolwich Arsenal and other public factories having been reduced to the smallest possible dimensions deliberately in order to permit more contracts to go to the capitalist firms. Now the Government possesses altogether between one and two hundred factories of its own, producing many kinds of war stores. Most of these are newly built and equipped, regardless of cost, in the most efficient manner. When peace comes the Government will want to get rid of these, and it intends at present to hand them over to private capitalists! This must not be permitted. Why should fresh opportunities for profit-making be given to private capitalists at the expense of public funds? We ought to insist on all these National Factories being retained by the Government, and kept running to their full capacity, in order to supply the national needs. When their lathes and other machines are not wanted for shells, they should be used (as are the engineering shops of the Hungarian State Railways) for making agricultural implements or motor-cars.

Can We Afford to Pay?

We come now to the second anxious inquiry: Can we afford to pay for the social readjustments required? Fortunately the war has answered this question. We see now that when Ministers postponed Old Age Pensions for nearly twenty years because the nation could

* See the completely elaborated scheme in "How to Pay for the War," to be obtained from the Fabian Bookshop, 25, Tothill Street, Westminster. at 6s. net; or the reprint of the chapter, "The Nationalisation of the Coal Supply," price 1s. net.

not afford twelve millions a year, when Lords Goschen and St. Aldwyn shrieked with horror at the rise of the Grants in Aid, when Chancellors of the Exchequer—from Gladstone downwards—deliberately starved the Education Estimates to avoid having to increase the National Revenue—either they “did not know their job” or they were shielding the rich from bearing their share of taxation. Even the “Morning Post” sees that it will never again do for any Chancellor of the Exchequer to pretend that “the nation cannot afford it.” “We are at least sure,” declares that organ of the wealthy, “that the working classes who are fighting side by side with those who once had leisure and wealth will never again believe that there is not sufficient money in the country to provide sufficient wages and good houses.” The Chancellor’s revenue for the current year is over 500 millions sterling. The Government, which is the sleeping partner in every business firm, and the mortgagee of every private proprietor, ought never to budget for a less sum. *To reduce taxation whilst leaving urgent social needs unprovided for means that we prefer to endow the taxpayers rather than meet the social needs.* Not that we can keep the War Budget unchanged. We must, at any rate, abolish the sugar tax and reduce the tea duty. We shall, unfortunately, be urged to repeat the temporary Excess Profits Tax; though, as it only hits excess profits—profits in excess of those of the most profitable years known to British industry—there seems no reason why some similar tax should not be imposed. We must promptly remedy the shocking unfairness of the Income-tax, and especially its immoral and anti-eugenic special penalisation of lawful matrimony and an adequate family.

But, after making all proper allowances, the systematic regraduation of the Income-tax and super-tax on the scale suggested by so moderate a statesman as Lord Courtney of Penwith—beginning, say, with a penny in the pound on the small incomes, and rising to 16s. in the pound on those of £100,000 a year—would yield, in the fairest way, all that the Chancellor of the Exchequer will need to maintain a 500 million Budget.* It is, as we see very well, mere pretence to say that the nation “can’t afford it.” It has shown that it can afford it *when it chooses*. Any hesitation over measures of social reconstruction, any denial of social justice on the ground that the nation cannot afford it, means henceforth only this, that the Government, *speaking for the payers of super-tax*, does not wish to afford it.

* See “A Revolution in the Income Tax,” price 1s. net; or “How to Pay for the War,” 6s. net.; to be had of the Fabian Bookshop, 25, Tothill Street, Westminster.

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